

Board's Report

Your Directors take pleasure in presenting the Twenty-Ninth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL RESULTS

(₹ in Million)

	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	128,032.1	125,319.3	334,981.4	328,375.0
Profit before exceptional item and tax	22,424.3	32,530.0	71,055.1	52,702.3
Exceptional Item	895.6	-	43,061.4	2,606.4
Profit before tax but after exceptional item	21,528.7	32,530.0	27,993.7	50,095.9
Tax expense:				
- Current Tax	2,449.1	3,864.6	9,573.0	13,201.4
- Deferred Tax Charge / (Credit)	(2,317.4)	(3,446.0)	(331.0)	(4,973.4)
- Deferred Tax - Exceptional	-	-	(4,095.1)	-
Profit after tax	21,397.0	32,111.4	22,846.8	41,867.9
Profit after Tax but before Share in profit / (loss) of associates and joint venture	-	-	22,846.8	41,867.9
Share of profit/(loss) of associates and joint venture [Net]	-	-	(123.3)	(148.3)
Profit for the year before non-controlling interests	-	-	22,723.5	41,719.6
Non-controlling interests	-	-	(6,314.7)	4,070.3
Profit for the year attributable to owners of the Company	-	-	29,038.2	37,649.3
Total other Comprehensive Income	633.0	(808.0)	(1,460.3)	21,208.3
Total Comprehensive Income for the year attributable to:	22,030.0	31,303.4	21,263.2	62,927.9
- Owners of the Company	22,030.0	31,303.4	28,133.4	56,068.4
- Non-Controlling Interest	-	-	(6,870.2)	6,859.5
Opening balance in Retained Earnings	140,052.7	123,846.1	353,200.5	333,301.9
Additions:				
Amount available for appropriation	21,324.4	31,925.1	28,985.5	37,377.3
Less:				
Dividend on Equity Shares	15,590.6	13,789.6	15,590.6	13,789.6
Dividend Distribution Tax	-	1,928.9	-	2,834.5
Buy-back of equity shares by overseas subsidiaries	-	-	559.5	831.6
Transfer to/from various Reserves:				
- Legal reserve	-	-	55.0	23.0
- General reserve	-	-	-	-
Closing balance in Retained Earnings	145,786.5	140,052.7	365,980.9	353,200.5

DIVIDEND

During the year under review, your Directors at their meeting held on January 29, 2021 had declared an interim dividend of ₹5.50 (Rupees Five and paise fifty only) per equity share of ₹1/- each [previous year ₹3.00 per equity share of ₹1/- each] for the year ended March 31, 2021. The interim dividend was paid on February 17, 2021 to those shareholders who held shares as on February 10, 2021, being the record date for payment.

In addition to above, your Directors have recommended a final dividend of ₹2/- (Rupees Two only) per equity share

of ₹1/- each [previous year ₹1/- per equity share of ₹1/- each] for the year ended March 31, 2021, subject to the approval of the equity shareholders at the ensuing 29th Annual General Meeting of the Company. Pursuant to the provisions of the Finance Act, 2020, the said final dividend will be liable for deduction of income tax at source.

Therefore, the total dividend payout for the FY21 is ₹7.50/- (Rupees Seven and paise fifty only) per equity share of ₹1/- each [previous year ₹4.00/- per equity share of ₹1/- each].

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The policy is available on the website of the Company and can be accessed through the web link: <https://sunpharma.com/policies/>.

BUY-BACK OF SHARES

The Board of Directors of the Company at its meeting held on March 17, 2020, had approved the buy-back of Company's equity shares of face value of ₹1/- each ("Equity Shares") from the Open Market through stock exchange mechanism as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, at a maximum price of ₹425/- (Rupees Four Hundred Twenty Five Only), per Equity Share payable in cash, for an aggregate maximum amount of up to ₹1700,00,00,000/- (Rupees One Thousand Seven Hundred Crores Only) ("Maximum Buy-back Size").

The Buy-back period had opened on and from March 26, 2020 and had closed, during the year under review, effective from closure of trading hours on September 25, 2020 i.e., within 6 months from the date of the opening of Buy-back.

No Equity Shares have been bought back under the Buy-back as the volume weighted average market price of Equity Shares of the Company during the Buy-Back period was higher than the Maximum Buy-back Price.

CHANGES IN CAPITAL STRUCTURE

During the year under review there was no change in the paid-up share capital of the Company.

SCHEME OF ARRANGEMENT

During the year, the Board of Directors of the Company at its meeting held on July 31, 2020 had approved the Scheme of Amalgamation and Merger of Sun Pharma Global FZE ("Transferor Company"), an indirect wholly owned subsidiary of the Company with Sun Pharmaceutical Industries Limited ("Company") and their respective members and creditors ("Scheme") pursuant to Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and the relevant rules and regulations made thereunder for amalgamation of Transferor Company into the Company.

The Hon'ble National Company Law Tribunal of Gujarat, at Ahmedabad ("NCLT") vide its Order dated January 07, 2021 had dispensed with convening of meeting of secured creditor(s) of the Company and had ordered to convene the meeting of equity shareholders and unsecured creditors of the Company and accordingly separate meetings of the equity shareholders and unsecured creditors were convened on March 16, 2021 by way of Video Conferencing / Other Audio Visual Means to approve the Scheme with appointed date as January 01, 2020 or such subsequent date as may be decided by the Board of Directors as applicable, of the Transferor Company and the Board of

Directors of the Company or such date as may be approved by the Hon'ble NCLT or such other appropriate date as the Appropriate Authority may decide.

At both the meetings namely the meeting of equity shareholders and the meeting of unsecured creditors, the resolution for approval of proposed merger was passed with requisite majority. The approval of NCLT is awaited.

The merger will result synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, competitive advantage and optimal utilisation of resources eventually enhancing the growth and reputation of the group. Pursuant to the Scheme, no consideration shall be paid nor any shares of the Company shall be issued and allotted to the shareholders of the Transferor Company.

ANNUAL RETURN

The Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-7 is made available on the website of the Company and can be accessed at <https://sunpharma.com/investors-annual-reports-presentations/>

SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associates is given in Form AOC - 1, provided in Notes to the Consolidated Financial Statements, forming part of the Annual Report.

The highlights of performance of subsidiaries, joint ventures and associates and their contribution to the overall performance of the Company during the financial year under review is given under Annexure 'A' to the Consolidated Financial Statements forming part of the Annual Report.

Details pertaining to entities that became subsidiaries/ joint ventures/associates and those that ceased to be the subsidiaries / joint ventures/associates of the Company during the year under review are provided in Note: 38 of the notes to the Consolidated Financial Statements, forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Dilip S. Shanghvi, Managing Director and Mr. Kalyanasundaram Subramanian, Whole-time Director of the Company retire by rotation at the ensuing 29th Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Further, Mr. Kalyanasundaram Subramanian's term as Whole-time Director as approved by the members at the 26th Annual General Meeting of the Company held on September 26, 2018, was upto February 13, 2021.

The Board of Directors of the Company at its meeting held on January 29, 2021, on the recommendation of the Nomination and Remuneration Committee, had approved re-appointment and remuneration of Mr. Kalyanasundaram Subramanian as Whole-time Director for a further period of two years with effect from February 14, 2021 till February 13, 2023, subject to the approval of the shareholders of the Company at the 29th Annual General Meeting. The Board of Directors recommend his re-appointment and remuneration for further period of two years with effect from February 14, 2021, for approval of the members at the ensuing 29th Annual General Meeting of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors by passing a resolution by circulation have appointed Dr. Pawan Goenka (DIN: 00254502) and Ms. Rama Bijapurkar (DIN: 00001835) as Additional Independent Directors of the Company effective from May 21, 2021 in accordance with the provisions of Section 149 of the Act and in terms of Section 161(1) of the Act, they both hold office upto the date of ensuing 29th Annual General Meeting. In the opinion of the Board, Dr. Pawan Goenka and Ms. Rama Bijapurkar hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors and further they are exempted from the requirement to undertake online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board recommends appointment of Dr. Pawan Goenka and Ms. Rama Bijapurkar as Independent Directors of the Company for a term of 5 (Five) years effective from May 21, 2021 upto May 20, 2026 for approval of the members at the ensuing 29th Annual General Meeting of the Company.

Mr. Sailesh T. Desai was re-appointed as the Whole-time Director at the 26th Annual General Meeting of the Company held on September 26, 2018 for a period of 5 (five) years effective from April 1, 2019 upto March 31, 2024. However, due to inadequacy of profits at that time, the approval for maximum remuneration to be paid to Mr. Sailesh T. Desai was sought from the members for a period of 3 years with effect from April 1, 2019 to March 31, 2022, including the minimum remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period of 3 years. The Board of Directors, at its meeting held on May 27, 2021, have considered, approved and recommends to the members, the maximum remuneration to be paid to Mr. Sailesh T. Desai, as recommended by the Nomination and Remuneration Committee, for further period of two years i.e. for the remaining term of his present appointment, from April 1, 2022 till March 31, 2024.

Appropriate resolutions for the appointment, re-appointment and remuneration of the Directors are being

placed for your approval at the ensuing 29th Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT OF DIRECTORS

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy on remuneration of Directors, Key Managerial Personnel and other Employees.

The salient features of the Remuneration Policy of the Company are as under:

- A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of his job, work duration and risks associated with the work, and attitude of the employee like positive outlook, team work, loyalty etc.
- B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.
 - a) Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
 - b) Variable compensation: The personnel of the Company may be paid remuneration by way of

variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

- c) Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- d) Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffer, share and share price related incentive, reimbursement of electricity and telephone bills etc.
- e) Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.
- f) Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- C) Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Director	Board of Directors on the recommendation of the Nomination and Remuneration Committee within the limits approved by the shareholders
Key Managerial Personnel and Senior Management	Board of Directors on recommendation of the Nomination and Remuneration Committee
Other employees	Human Resources Head

Note: For the purpose of this Policy, the term 'Senior Management' shall have the same meaning as defined under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The complete Policy as approved by the Board is available on the website of the Company and can be accessed through the web link: <https://sunpharma.com/policies/>.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarisation Programme conducted are available on the website of the Company: www.sunpharma.com and can be accessed through the web link: <https://sunpharma.com/policies/>

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 4 (Four) times during the year under review on May 27, 2020; July 31, 2020; November 03, 2020; and January 29, 2021. The particulars of attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report. The intervening gap between the meetings was within the period prescribed under the Act and Listing Regulations.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

During the year, the evaluation of the annual performance of individual Directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act, relevant Rules, and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations and based on the circular issued by SEBI dated January 5, 2017 with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the criteria for the performance evaluation of the Board, its Committees and individual Directors as per the SEBI Guidance Note on Board Evaluation.

The Chairman of the Company interacted with each Director individually, for evaluation of performance of the individual Directors. The evaluation for the performance of the Board as a whole and of the Committees were conducted by way of questionnaires.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge and competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution and commitment etc., and the Independent Directors were additionally evaluated on the basis of independence,

independent views and judgement etc. Further the evaluation of Chairman of the Board, in addition to the above criteria for individual Directors, also included evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

The Chairman and other members of the Board discussed upon the performance evaluation of every Director of the Company and concluded that they were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The summary of the feedback from the members were thereafter discussed in detail by the members. The respective Director, who was being evaluated, did not participate in the discussion on his/her performance evaluation.

The Chairman additionally interacted with each Director individually, for evaluation of performance of all Individual Directors and Mr. Dilip Shanghvi, along with other Directors had evaluated the performance of Mr. Israel Makov as the Chairman and as an Individual Director. They were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The Board also assessed the fulfillment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as diversity in the Board, competency of Directors, strategy and performance evaluation, evaluation of performance of the management and feedback, independence of the management from the Board etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as mandate and composition, effectiveness of the committee, independence of the committee from the Board, contribution to decisions of the Board, etc.

HUMAN RESOURCES

2020 was a very challenging year for everyone. Our 37000+ strong global workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. As lockdowns hit across the world, our teams being part of essential services, ensured our 44 manufacturing sites, distribution centres, R&D centres and sales offices worldwide continue to operate. We are grateful to our employees who made this happen with a safety-first mind set. The top priority for the Human Resource function was providing a safe work environment to employees globally.

Your Directors would like to take this opportunity to express their gratitude and appreciation for the passion,

dedication and commitment of the employees and look forward to their continued contribution.

Information as per Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in 'Annexure - A' to this Report. Further, the information pertaining to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the second proviso to Section 136(1) of the Act, the Report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/ Compliance Officer either at the Registered/Corporate Office address or by email to secretarial@sunpharma.com.

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

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has arranged various interactive awareness workshops in this regard for the employees at the manufacturing sites, R & D set ups & corporate office during the year under review. The Company has submitted the Annual Returns to the local authorities, as required under the above mentioned Act.

During the financial year ended March 31, 2021, no complaint pertaining to sexual harassment was received by the Company. There are no complaints pending as at the end of the financial year.

Your 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

AUDITORS

Statutory Auditors

S R B C & Co LLP, Chartered Accountants, (Firm's Regn. No. 324982E/ E300003), were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 25th Annual General Meeting of the Company to hold office till the conclusion of the 30th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended March 31, 2021, has been issued with an unmodified opinion, by the Statutory Auditors.

Secretarial Auditor

The Board had appointed KJB & Co. LLP, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as 'Annexure - B1' to this Report.

The remarks stated in the Secretarial Audit Report are self explanatory and do not require any further explanation. The Secretarial Audit Report for the year does not contain any other qualification, reservation or adverse remark.

In accordance with the provisions of Regulation 24A of the Listing Regulations, Secretarial Audit of two material unlisted Indian subsidiaries of the Company namely, Sun Pharma Laboratories Limited (SPLL) and Sun Pharma Distributors Limited (SPDL), was undertaken by KJB & Co. LLP, Practicing Company Secretaries, Mumbai and the Secretarial Audit Reports issued by them to the respective Boards of SPLL and SPDL are provided as 'Annexure - B2' and 'Annexure - B3' respectively to this Report. The Secretarial Audit Reports for these material unlisted Indian subsidiaries do not contain any qualification, reservation or adverse remark.

Cost Auditor

The Board has appointed Messrs B. M. Sharma & Associates, Cost Accountants, Pune (Firm's Registration No. 100537) as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the financial year 2021-22.

The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained by the Company.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as amended from time to time.

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

RELATED PARTY TRANSACTIONS

The policy on Related Party Transactions as approved by the Board is available on the website of the Company and can be accessed through the web link: <http://www.sunpharma.com/policies>. All contracts/ arrangements/ transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis.

As required under Section 134(3)(h) of the Act, details of transactions entered with related parties under the Act exceeding ten percent of the annual consolidated turnover as per the last audited financial statements are given in Form AOC-2 provided as 'Annexure - C' to this Report.

AUDIT COMMITTEE COMPOSITION

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

RISK MANAGEMENT

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various organisational risks (strategic, operational and financial). The Risk Management Committee also assesses the adequacy of mitigation plans to address such risks. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company. An overarching Risk Management Policy which was approved by the Board is in place.

The Company has developed and implemented an integrated Enterprise Risk Management (ERM) Framework through which it identifies monitors, mitigates & reports key risks that impact the Company's ability to meet its strategic objectives. The Company's ERM framework is based on the recommendations by the Committee of Sponsoring Organisations (COSO) to further the organisation's endeavour to strengthen ERM framework and processes using best practices. The ERM team engages with all Function heads to identify internal and external events that may have an adverse impact on the achievement of Company's objectives and periodically monitors changes in both internal and external environment leading to emergence of a new threat/risk. These risks are captured in a risk register with all the relevant information such as risk description, root cause and any existing mitigation plans. The risk register is refreshed semi-annually. Risks are categorised into Strategic, Financial, Operational, Compliance & Reputational. ERM risk assessments covering Company's various businesses and functions are a key input for the annual internal audit program. During FY21, the focus was on reviewing effectiveness of actions taken to mitigate business, cyber security and other operational & Compliance risks.

INTERNAL FINANCIAL CONTROLS

The Company believes that internal control is a prerequisite of governance and that action emanating out of agreed business plans should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance

on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

Global Internal Audit

An independent and empowered Global Internal Audit Function (GIA) at the corporate level with support from a Big 4 / equally reputed audit firm, wherever required, carries out risk-focused audits. GIA audits all businesses (both in India and overseas) to ensure that business process controls are adequate and are functioning effectively. These reviews include financial, operational and compliance controls and risk mitigation plans. The Company's operating management closely monitors the internal control environment and ensures that the recommendations are effectively implemented. The Audit Committee of the Board monitors performance of the Internal Audit Function, periodically reviews key findings and provides strategic guidance.

GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of the audit. The audit processes are fully automated on 'SunScience' tool which integrates Internal Audits, Automated follow-ups for closure of observations, Internal Financial Controls (IFC) and Enterprise Risk Management (ERM) modules. ERM Risk assessments are a key input for the annual audit program.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report. On the recommendation of the Corporate Social Responsibility Committee, the Board of Directors at its meeting held on May 27, 2021 has approved and adopted the revised CSR Policy in line with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy of the Company is available on the website of the Company and can be accessed through the web link: <https://sunpharma.com/policies/>

During the year, the Company has spent ₹269.504 Million which exceeds 2% of the average net profits of the Company in the three preceding financial years. The annual report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in 'Annexure - D' to this Report.

The Board has accorded its consent to set off the excess amount spent by the Company on its CSR Activities against the requirement to spend in any subsequent year(s) in terms of Section 135 of the Act.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Act and the rules framed thereunder.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the Listing Regulations is provided in a separate section and forms part of this Report.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance and Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section and forms part of this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as 'Annexure - E' to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted a 'Global Whistle Blower Policy' for Sun Pharmaceutical Industries Limited and all its subsidiaries, in addition to the existing Global Code of Conduct that governs the actions of its employees. Further details on vigil mechanism of the Company are provided in the Corporate Governance Report, forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

- c) the Directors have 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) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

CREDIT RATING

ICRA Ltd. has reaffirmed the highest credit rating of '[ICRA] A1+'/'[ICRA] AAA(Stable)' for the bank facilities, long term/

short term borrowings and commercial paper programs of the Company.

Further, CRISIL Ltd. has also reaffirmed the highest credit rating of 'CRISIL A1+ and CRISIL AAA/Stable' for short term & long term bank facilities and commercial paper programs of the Company.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report of the Company for the year ended March 31, 2021, forms part of the Annual Report and is also made available on the website of the Company at <https://sunpharma.com/investors-annual-reports-presentations/>

ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers, medical professionals and business associates for their continued support and valuable cooperation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

Place: Israel
Date: May 27, 2021

Israel Makov
Chairman
(DIN: 05299764)

Information required under Section 197 of the Act Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY21:

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration ^(a) of each Director to median remuneration of employees	Increase/ (decrease) in Remuneration ^(a) in the FY21 (in percentage)
Directors:			
Mr. Israel Makov	Non-executive Chairman	1.53	-20.00
Mr. Dilip S. Shanghvi	Managing Director	85.31	Refer Note 1
Mr. Sailesh T. Desai	Whole-time Director	30.12	Refer Note 2
Mr. Kalyanasundaram Subramanian	Whole-time Director	122.69	Refer Note 3
Mr. Sudhir V. Valia	Non-executive and Non-Independent Director	2.48	Refer Note 4
Ms. Rekha Sethi	Non-executive Independent Director	4.20	15.79
Mr. Vivek Chaand Sehgal	Non-executive Independent Director	1.14	0.00
Mr. Gautam Doshi	Non-executive Independent Director	4.39	9.52
Dr. Pawan Goenka ^(b)	Non-executive Independent Director	Not Applicable	Not Applicable
Ms. Rama Bijapurkar ^(b)	Non-executive Independent Director	Not Applicable	Not Applicable
Key Managerial Personnel:			
Mr. C.S. Muralidharan	Chief Financial Officer	Not Applicable	6.51 Refer Note 5
Mr. Sunil Ajmera	Company Secretary	Not Applicable	5.97 Refer Note 5

(a) Remuneration to Non-Executive Directors consists only of sitting fees and is based on the number of meetings attended during the year. No commission was paid to Non-Executive Directors for the FY 21.

(b) Dr. Pawan Goenka and Ms. Rama Bijapurkar have been appointed as an Additional Independent Directors effective from May 21, 2021 i.e. after the end of FY21.

Note 1: The Bonus of previous year was paid in the current year and the same was reflected in his current year's Form 16. However, no such component was there in the Form 16 for FY 20 as in the year previous to FY 20 (i.e. FY 19), Mr. Dilip Shanghvi was paid only ₹1/- towards remuneration. Accordingly, on comparison of remuneration as per Form 16 of FY 20 and FY 21, the increase comes to 37.20%, however the actual increase in Mr. Dilip Shanghvi's total remuneration (basis CTC) for FY 21 was 7%.

Note 2: The Bonus of previous year was paid in the current year and the same was reflected in his current year's Form 16. Hence, on comparison of remuneration as per Form 16 of FY 20 and FY 21, the increase comes to 12.59%, however the actual increase in Mr. Sailesh T. Desai's total remuneration (basis CTC) for the FY 21 was 7%.

Note 3: In the FY 20, the remuneration of Mr. Kalyanasundaram Subramanian was for part of the year w.e.f. July 04, 2019 and in FY 21, he has received remuneration for the full year. Further, Bonus and Leave Encashment of previous year paid in the current year and the same was reflected in his current year's Form 16. Hence, on comparison of remuneration as per Form 16 of FY 20 and FY 21, the increase comes to 46.30%, however the actual increase in Mr. Kalyanasundaram Subramanian's total remuneration (basis CTC) for the FY 21 was 4.48%.

Note 4: Mr. Sudhir Valia had stepped down from the position of Whole-time Director of the Company with effect from May 29, 2019 and he became a Non-Executive Non-Independent Director of the Company thereafter. The amounts paid to him in the FY20 and FY21 are not comparable as in FY 20, he was paid a remuneration for part of the year including an amount towards full and final settlement and sitting fees for the meetings he attended during the FY 20, as Non-Executive Director as against in FY 21, he was paid only the sitting fees.

Note 5: The percentage increase as mentioned above in the remuneration of Mr. C.S. Muralidharan and Mr. Sunil Ajmera are calculated on the basis of their respective Form 16 for FY 20 as compared to FY 21 and is due to Bonus of the previous year paid in the current year, however the actual increase in their total remuneration (basis CTC) for the FY 21 was 5.20% and 5.80% respectively.

- ii) The percentage increase in the median remuneration of employees in the FY21 (Median -2021/Median 2020): **3.98%**
- (iii) The number of permanent employees on the rolls of the Company (on standalone basis) as on March 31, 2021: **18193**
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2021 was approximately 8.21% and the average increase in the managerial personnel remuneration (basis CTC) was 6.16%.

- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(All the details of remuneration given above are as per Form 16 as per Income Tax Act, and the ratios are calculated on that basis.)

For and on behalf of the Board of Directors

Place: Israel
Date: May 27, 2021

Israel Makov
Chairman
(DIN: 05299764)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2021.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharmaceutical Industries Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 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 ("**SEBI**") Act, 1992:

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable to the Company for the year under review;**
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review;**
- h. 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 – **Not applicable to the Company;**
- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company for the year under review.**

We have also examined compliance with the applicable clauses of the

- a. Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- b. SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October 2019 read

with SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/167 dated 24th December 2019 ("**SEBI CP Circulars**") in respect of framework for listing of Commercial papers.

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above however *in respect of compliances relating to listed commercial papers in pursuance of SEBI CP Circulars namely (a) while the Company has fulfilled the payment obligations as per the redemption schedule, there are instances of delay in filing of certificates as required under para 2.4 of Annexure II of SEBI CP Circulars which was inadvertent delay as informed to us and (b) the Company has annually submitted the quarterly certificates required under para 4 of Annexure II of SEBI CP Circulars presuming that these compliances can be done annually.*

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in two cases where the meetings were convened on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective

plant heads, the Company has identified and complied with the following laws applicable to the Company:

- Drugs and Cosmetics Act, 1940 and rules made thereunder;
- Factories Act, 1948.

We further report that, during the period under review, the Company and the then KMPs and an officer had filed settlement applications under SEBI (Settlement Proceedings) Regulations, 2018 on July 18, 2020 to expeditiously close the matter, without admitting or denying the finding of fact and conclusion of law in respect of alleged violations of certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant for timely compliances of disclosures and approvals pertaining to related parties and have paid the settlement charges recommended by SEBI. Subsequently, the adjudication proceedings initiated vide show-cause notices dated May 19, 2020 were disposed of in terms of section 15JB of the SEBI Act, 1992 and section 23JA of the SCRA read with regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018.

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the various state governments on the travel, movement and transportation considering public health and safety measures due to Covid-19, which had impact on the audit assessment due to limited access to information / documents / data as required for audit assessment.

For KJB & CO LLP,
Practicing Company Secretaries
Firm Unique Identification No. – L2020MH006600
Peer Review Certificate No. – 934/2020

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000380515

Date: May 27, 2021
Place: Vadodara

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

Annexure – 1

To,
The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, KJB & CO LLP,
Practicing Company Secretary
Firm Unique Identification No. – L2020MH006600
Peer Review Certificate No. – 934/2020

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000380515

Date: May 27, 2021
Place: Vadodara

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2021.

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

To,
The Members,
Sun Pharma Laboratories Limited,
Mumbai.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharma Laboratories Limited ("the Company")**. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 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; **Not applicable to the Company for the year under review;**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not applicable to the Company for the year under review;**
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable during the period under review of Overseas Direct Investment; External Commercial Borrowings (Regulations relating to Foreign Direct Investment not attracted to the Company for the year under review);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review;**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable to the Company for the year under review;**
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not applicable to the Company for the year under review;**
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company for the year under review;**
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company for the year under review;**
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company for the year under review;**
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company for the year under review;**
 - h. 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 - **Not applicable to the Company for the year under review;**
 - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 - **Not applicable to the Company for the year under review;**

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

We further report that:

1. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads of R&D centers, the Company has identified and complied with the following laws applicable to the Company:

- Drugs and Cosmetics Act, 1940;
- Factories Act, 1948.

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by various State government on the travel, movement and transportation considering public health and safety measures due to Covid -19 pandemic, which had impact on the audit assessment due to limited access to information / documents / data as required for audit assessment.

For KJB & CO LLP,
Practicing Company Secretaries
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal
Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008C000374841

Date: May 26, 2021
Place: Vadodara.

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

Annexure - 1

To,
The Members,
Sun Pharma Laboratories Limited,
Mumbai.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, KJB & CO LLP,
Practicing Company Secretary
Firm Unique Identification No. - L2020MH006600
Peer Review Certificate No. - 934/2020

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000374841

Date: May 26, 2021
Place: Vadodara

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2021.

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

To,
The Members,
Sun Pharma Distributors Limited,
Mumbai, Maharashtra.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sun Pharma Distributors Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under - **Not applicable to the Company for the year under review;**
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under - **Not applicable to the Company for the year under review;**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings - **Not applicable to the Company for the year under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992: -
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not applicable to the Company for the year under review;**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable to the Company for the year under review;**
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable to the Company for the year under review;**
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company for the year under review;**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company for the year under review;**
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company for the year under review;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company for the year under review;**
 - (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review;**
 - (i) 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 - **Not applicable to the Company for the year under review;**

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that:

- a) The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place, if any during the period under review were carried out in compliance with the provisions of the Act;
- b) Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice with the consent of all the directors / committee members. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the management, the Company has identified and complied with the following law applicable to the Company:

- Drugs and Cosmetics Act, 1940
- The Drugs & Magic Remedies (Objectionable Advertisements) Act, 1954
- Drugs Price Control Order, 1995 (DPCO)

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the various state government on the travel, movement and transportation considering public health and safety measures due to Covid-19 pandemic, which had impact on the audit assessment due to limited access to information / documents / data as required for audit assessment.

For KJB & CO LLP,
Practicing Company Secretaries
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal
Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008C000374993

Date: May 26, 2021
Place: Vadodara.

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

Annexure - 1

To,
The Members,
Sun Pharma Distributors Limited,
Mumbai, Maharashtra

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, KJB & CO LLP,

Practicing Company Secretary
Firm Unique Identification No. - L2020MH006600
Peer Review Certificate No. - 934/2020

Alpeshkumar Panchal

Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000374993

Date: May 26, 2021
Place: Vadodara

Annexure - C

AOC - 2

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, as on March 31, 2021 if any
1.	Sun Pharma Laboratories Limited (Wholly owned subsidiary)	Purchase of goods, property, plant & equipment, Revenue from contracts with customers (net of returns), Sale of property, plant & equipment, Receiving and Rendering of Service, Reimbursement of expenses paid and expenses received, Loan taken and repaid, Interest expense, Payment towards Lease liabilities, Rent income and other operative income / other income	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY21 was ₹1,66,466 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable.	Nil
2.	Sun Pharma Distributors Limited (Wholly owned subsidiary)	Revenue from contracts with customers (net of returns), Reimbursement of expenses received, Loan Given and Received back, Interest Income, and Rent income.	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY21 was ₹32,535.9 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable.	Nil

For and on behalf of the Board of Directors

Israel Makov
Chairman
(DIN: 05299764)

Place: Israel
Date: May 27, 2021

Annual Report on Corporate Social Responsibility (CSR) Activities for the FY21

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Sun Pharmaceutical Industries Limited (“Sun Pharma”) has been implementing its CSR activities on different thematic areas as per needs identified in local communities. The Company has defined CSR policy for driving its CSR programme for mass benefits for people. These projects are focused towards downtrodden, unprivileged and lower strata of society. All activities are aligned with the item-areas mentioned in the Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Sun Pharma’s Corporate Social Responsibility initiatives focus on following thematic areas:

- Healthcare Programme
- Education Programme
- Environment Conservation Programme
- Drinking Water Project and
- Covid-19 Relief Work and
- Rural Development Programme

In FY21, the Company has spent ₹269.504 Million for the implementation of CSR projects.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation in the CSR Committee	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dilip S. Shanghvi	Chairman	Managing Director	3	3
2.	Mr. Sudhir V. Valia	Member	Non-executive Non-Independent Director	3	3
3.	Ms. Rekha Sethi	Member	Independent Director	3	3

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

The details and the web-links, where such details can be accessed are given hereunder:

Details	Web-Links
Composition of CSR committee	https://sunpharma.com/committees-of-the-board/
CSR Policy	https://sunpharma.com/policies/
CSR projects	https://sunpharma.com/policies/

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

Not Applicable for the projects undertaken during FY21

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set off for the financial year, if any
1	2017-18	--	--
2	2018-19	--	--
3	2019-20	--	--
TOTAL		--	--

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5). – ₹6490.63 Million

7.	(a) Two percent of average net profit of the company as per section 135(5).	₹129.810 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 (7a+7b-7c).	₹129.810 Million

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
₹269.504 Million	--	--	--	--	--

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name Registration number.
-----NIL-----										

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No. of Project	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	State.	Location of the project District.	Amount spent for the project (₹ in Million.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency Name. CSR registration number
1.	Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai	Healthcare under Item No. (i)	Yes	Maharashtra	Mumbai	100.00	No	Shantilal Shanghvi Foundation CSR000002593
2.	Initiatives on Prevention of Covid-19 in Communities	Disaster relief under Item No. (xii)	No	PAN India	-	104.296	Yes	-
3.	Infrastructural Development for Pharma Research Laboratory	Education under Item No. (ii)	No	Maharashtra	Pune	25.000	No	Agricultural Development Trust CSR00001043
4.	Mobile Healthcare Unit	Healthcare under Item No. (i)	Yes	Maharashtra, Gujarat, Punjab, Himachal Pradesh, Madhya Pradesh, and Tamilnadu	Ahmednagar, Panchmahal, SAS Nagar, SBS Nagar, Paonta Sahib, Dewas, Bharuch, Vadodara, Bhind, and Chengalpattu	22.708	No	Sun Pharma Community Healthcare Society CSR000003635
5.	School Infrastructure Development Project	Education under Item No. (ii)	Yes	Gujarat, Tamilnadu, UT of Dadra & Nagar Haveli, Himachal Pradesh, Punjab	Pachmahal (Gujarat), Chengalpattu (Tamilnadu), Dadra and Nagar Haveli, Sirmour (H.P.), Solan (H.P.) and Nawanshahr (Punjab)	2.213	Yes	-
6.	School Toilet Construction Project	Education under Item No. (ii)	Yes	Gujarat, Tamilnadu, UT of Dadra and Nagar Haveli	Pachmahal (Gujarat), Chengalpattu (Tamilnadu), Dadra and Nagar Haveli	1.999	Yes	-
7.	Anganbari Development Project	Malnutrition under Item No. (i)	Yes	Gujarat, Tamilnadu,	Vadodara, Maduranthakam	1.241	Yes	-
8.	Setting-up of Digital Classroom Project	Education under Item No. (ii)	Yes	Gujarat	Panchmahal (Gujarat), Vadodara (Gujarat)	1.167	Yes	-
9.	Promotion of Quality of Education	Education under Item No. (ii)	Yes	Gujarat, Tamilnadu,	Chengalpattu (Tamilnadu), Vadodara (Gujarat)	1.050	Yes	-
10.	Provision of medicines to combat Covid-19 Infection	Healthcare under Item No. (i)	Yes	UT of Dadra and Nagar Haveli	Dadra and Nagar Haveli	0.617	No	Rogi Kalyan Samiti CSR000004127

(4)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No. Project	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Amount spent for the project (₹ in Million.)	Mode of implementation (Yes/No).	Mode of implementation - Through implementing agency
				State.	District.			Name. CSR registration number
11.	Rural Infrastructure Development Projects	Rural Development under Item No. (x)	Yes	Maharashtra and Gujarat	Ahmednagar, Panchmahal and Bharuch	0.488	Yes	-
12.	Roadside Plantation Initiatives	Environment under Item No.(iv)	Yes	Maharashtra, Gujarat and Punjab	Ahmednagar, Bharuch, Vadodara and Nawanshahr	0.450	Yes	-
13.	Construction of Mini Water Works in Rural Communities	Drinking Water under Item No. (i)	Yes	Gujarat	Panchmahal	0.311	No	Society For Village Development in Petrochemicals Area (SVADES)
14.	Donate a Plate Campaign	Eradicating Hunger under Item No.(i)	No	Uttar Pradesh and Delhi	Ghaziabad and East Delhi	0.298	No	Love Care Foundation
15.	Drinking Water Supply in Toansa	Drinking Water under Item No. (i)	Yes	Punjab	Nawanshahr	0.289	Yes	-
16.	Skill Development Training	Vocational Skills under Item No. (ii)	Yes	Madhya Pradesh	Bhind	0.264	Yes	-
17.	Renovation of Community Centre	Rural Development under Item No. (x)	Yes	Gujarat	Vadodara	0.211	No	Society For Village Development in Petrochemicals Area (SVADES)
18.	Rain Water Harvesting Projects	Environment under Item No.(iv)	Yes	Gujarat	Panchmahal	0.207	Yes	-
19.	Healthcare Programme	Healthcare under Item No. (i)	Yes	Gujarat, Punjab and Tamilnadu	Panchmahal, Vadodara, Chengalpattu and Nawanshahr	0.155	Yes	-
TOTAL						262.965		

- (d) Amount spent in Administrative Overheads - ₹6.539 Million
 (e) Amount spent on Impact Assessment, if applicable - Not Applicable
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹269.504 Million
 (g) 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)	129.810
(ii)	Total amount spent for the Financial Year	269.504
(iii)	Excess amount spent for the financial year [(ii)-(i)]	139.694
(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)]	139.694

9. (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)	Amount spent in the reporting Financial Year (₹ In Million).	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.
				Name of the Fund	Amount.	Date of transfer	
1.	2017-18	NA	26.965	NA	NA	NA	NA
2.	2018-19	NA	39.362	NA	NA	NA	NA
3.	2019-20	NA	43.708	NA	NA	NA	NA
TOTAL			110.035	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project.	Amount spent on the project in the reporting Financial Year.	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed /Ongoing.
-----NIL-----								

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR.

(a)	Date of creation or acquisition of the capital asset(s).	
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

Not Applicable

Date: May 26, 2021

Dilip S. Shanghvi
Chairman - CSR Committee and Managing Director
(DIN: 00005588)

Sudhir V. Valia
Member - CSR Committee and Director
(DIN: 00005561)

CSR Activities of the Company

Sun Pharmaceutical Industries Limited ("Sun Pharma") has been implementing its CSR activities on different thematic areas as per needs identified in local communities. The Company has defined CSR policy for driving its CSR programme for mass benefits for people. The CSR projects of the Company are focused towards downtrodden, unprivileged and lower strata of society. All activities are aligned with the item-areas mentioned in the Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Sun Pharma's Corporate Social Responsibility initiatives focus on following thematic areas:

- a) Healthcare Programme
- b) Education Programme
- c) Sanitation Programme
- d) Environment Conservation Programme
- e) Drinking Water Project
- f) Covid-19 Relief Work and
- g) Rural Development Programme

In FY21, the Company has spent ₹269.504 Million for the implementation of CSR projects.

1. SUPPORT TOWARDS SETTING-UP OF CANCER SANATORIUM INSTITUTE, WADALA, MUMBAI:

The project aims to provide comprehensive cancer cure facility for delivering high-quality treatment and care for patients, embracing all socio-economic backgrounds by setting up a clean and aesthetically designed sanatorium for housing of cancer patients for chemotherapy and radiation treatment at Wadala, Mumbai.

The company has contributed ₹100 Million during the financial year 2020-21 and the project has been implemented by Shantilal Shanghvi Foundation.

2. INITIATIVES ON PREVENTION OF COVID-19 IN COMMUNITIES:

The COVID-19 pandemic has led to a dramatic loss of human life worldwide and presented an unprecedented challenge to public health, food systems and the world of work. Countering the unprecedented challenges, the Company has wholeheartedly supported the fight against Covid-19 by providing comprehensive support to ongoing covid relief work. Providing free facemasks, sanitisers, medicines and food packets to the rural community has been at the core of Company's relief work.

The project has benefitted diverse communities across India with the total expenses of ₹104.296 Million during the FY21.

3. INFRASTRUCTURAL DEVELOPMENT FOR PHARMA RESEARCH LABORATORY:

The project has been undertaken to set-up laboratory at Scientific Research Institute for carrying-out scientific, dairy and agricultural research at Baramati, Maharashtra.

The Company has contributed ₹25 Million during the financial year 2020-21 and the project has been implemented by Agriculture Development Trust, Baramati.

4. MOBILE HEALTHCARE UNIT:

Mobile Healthcare Unit aims to serve the underprivileged section of the society by initiating measures for Health Promotion, Preventive Healthcare Education and providing treatment. It operates in the rural areas of Ahmednagar, Halol, Mohali, Toansa, Paonta Sahib, Dewas, Panoli, Ankleshwar, Karkhadi, Malanpur, and Maduranthakam.

The Project has provided Curative Treatment to 1,26,234 patients and Preventive & Promotive Healthcare to 29,449 people during the course of a year. The Company has contributed ₹22.708 Million during the financial year 2020-21 and project was implemented by Sun Pharma Community Healthcare Society.

5. SCHOOL INFRASTRUCTURE DEVELOPMENT PROJECT:

The Programme envisions comprehensive improvement of school education while transforming the lives of the community by creating a lot of educated, self-reliant and confident students. It aims to develop quality infrastructure such as classrooms, water and sanitation facilities, sports equipment facilities and availability of chairs and benches in Halol, Panoli, Maduranthakam, Paonta, Silvassa, Baddi and Toansa.

With an objective to upgrade the infrastructure facilities in schools, Company has contributed ₹2.213 Million during financial year 2020-21. The programme has been implemented by CSR department and it has benefitted 2934 Students.

6. SCHOOL TOILET CONSTRUCTION PROJECT:

Lack of access to proper sanitation facilities poses a huge barrier to education as children frequently miss school due to hygiene-related diseases. Proper sanitation facilities play a key role in creating safe and healthy school environments where children can focus on learning. Working on the same agenda, this project aims to provide safe sanitation facilities in Government Schools located at Dadra, Halol, Panoli and Maduranthakam.

The Company has contributed ₹1.999 Million during the financial year 2020-21, with benefit being extended to 1421 Students.

7. ANGANBARI DEVELOPMENT PROJECT:

The project envisions to provide a caring environment that addresses the educative, health and nutritive requirements of rural children by refurbishing of existing centres in child friendly environment including learning environment through provision of good infrastructure and learning materials in Anganbari Centres located at Maduranthakam and Vadodara.

The Company has contributed ₹1.241 Million during the financial year 2020-21, with benefit being extended to 325 toddlers.

8. SETTING-UP OF DIGITAL CLASSROOM PROJECT:

The project caters to the increasing need of integrating ICT in current education system. It aims to enhance the quality of education in schools through digital mode of education in Government schools of Halol and Karkhadi in Gujarat. This has also helped in augmenting the interest of students in studies leading to increase in school attendance and better performances.

The Company has contributed ₹1.167 Million during the financial year 2020-21, with benefit being extended to 1501 Students.

9. PROMOTION OF QUALITY OF EDUCATION:

Promotion of quality of education envisions enhancing the quality of education in educational institutions and addressing the unmet needs for them to empower the students. It focuses on providing remedial education for the students, laboratory set-up with the ultimate objective to enhance the quality of education in educational institutions located at Chennai and Vadodara. The Company has contributed ₹1.050 Million during the financial year 2020-21. With benefit being extended to 525 students, the project has been implemented by CSR Department of the Company.

10. PROVISION OF MEDICINES TO COMBAT COVID-19 INFECTION:

In continuation of commitment to counter the unprecedented challenges during Covid-19, the Company furthered its spirited efforts by providing free Tocilizumab Injection for seriously ill patients addressing public health emergency at Silvassa.

The Company has contributed ₹0.617 Million in the project during the financial year 2020-21, with benefit being extended to 20 patients suffering from Covid-19.

11. RURAL INFRASTRUCTURE DEVELOPMENT PROJECTS:

Rural Infrastructure plays a very important role in supporting nation's economic growth, it is crucial for agriculture, agro-industries and poverty alleviation in the rural areas and has the potential to provide basic amenities to people that can improve their quality of life, working on the same motive, the project aims to uplift rural communities by upgrading much needed rural infrastructure facilities at Ahmednagar, Halol and Panoli.

The Company has contributed ₹0.488 Million in the project during the financial year 2020-21, with benefit being extended to communities.

12. ROADSIDE PLANTATION INITIATIVES:

The project aims to provide impetus on fostering environment conservation and increase greenery in roadside areas of Ahmednagar, Panoli, Toansa and Vadodara.

With an objective to maintain the ecological balance, attenuate the noise generated and improve the aesthetics, the Company has contributed ₹0.450 Million in the project during the financial year 2020-21.

13. CONSTRUCTION OF MINI WATER WORKS IN RURAL COMMUNITIES:

The project aims to provide access to safe and equitable water connectivity in Abhetwa Village of Halol Taluka, fostering better health & time saved while fetching water, reduced incidence of diseases, increased productivity and greater time availability for income generating activities.

The project has benefitted 252 Households, with the Company's contribution of ₹0.311 Million during the financial year 2020-21.

14. DONATE A PLATE CAMPAIGN:

Donating food to the needy people helps counter poverty, hunger and at the same time, it boosts health, happiness, cooperation, goodwill, and foster strong communities. Working on the same cause, the project has undertaken to donate food plate to needy and underprivileged communities during the festive season in Ghaziabad and East Delhi Districts.

It's a public campaign, in which matching grant was provided by the Company. The Company has contributed ₹0.298 Million during the financial year 2020-21. The benefit was extended to poor and deprived communities and it was implemented by Love Care Foundation.

15. DRINKING WATER SUPPLY IN TOANSA:

The project envisions providing safe and potable drinking water supply by constructing and maintaining Tube well for water connectivity pipelines and water storage tanks at Toansa, Punjab.

The project has benefitted 470 Villagers, with the Company contributing ₹0.289 Million during the financial year 2020-21.

16. SKILL DEVELOPMENT TRAINING:

It is important to engage the rural youth in a productive way in tandem with their aspirations by providing them credible opportunities for growth and well-being and working on the similar lines, the project has been undertaken to impart skill development training to rural youth in Malanpur area. Training was organised in the areas of Computer Literacy, Embroidery and Stitching.

The Company has contributed ₹0.264 Million in the project during the financial year 2020-21, with benefit being extended to 42 Youths.

17. RENOVATION OF COMMUNITY CENTRE:

In order to upgrade the infrastructural facilities in the village, the project was undertaken and community centre has been renovated for public use in the Karkhadi village.

The Company has contributed ₹0.211 Million in the project during the financial year 2020-21, with benefit being extended to communities.

18. RAIN WATER HARVESTING PROJECTS:

Rainwater harvesting systems for schools is required for educating children about the benefits of conservation of our natural resources. They save money by water conservation and help to encourage an environmentally responsible attitude in the next generation. Working on the same motive, the project was undertaken to construct Roof-top Rain water Harvesting Structure in the Government School at Tarkhanda, Halol.

The Company has contributed ₹0.207 Million in the project during the financial year 2020-21, benefitting school communities.

19. HEALTHCARE PROGRAMME:

The programme aims to serve the underprivileged section of society by initiating measures for health promotion and during the course of a year various initiatives have been undertaken including financial support to blood banks, free medical benefits in rural focal point and organising various Specialised Medical Camps for Public benefits. It was organised at Panchmahal, Vadodara, Chengalpattu and Nawanshahr.

The programme has benefitted diverse underprivileged communities, with the Company contributing ₹0.155 Million during the financial year 2020-21.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

1. Steps taken or impact on Conservation of Energy

- New green fuel boiler installed instead of fossil fuel boiler.
- Electric heat pump is installed instead of steam based hot water generation.
- Installed closed loop energy efficient pumping system instead of open loop hot well cold well system.
- Installed energy efficient chillers instead of old inefficient chillers.
- Replaced reciprocating air compressor by energy efficient screw compressor.
- Installed energy efficient pump in placed of inefficient pumps.
- Improve chiller system efficiency by installing automatic condenser cleaning system, side stream filtration systems.
- Hot water generation system for process is changed to plate heat exchangers from direct live steam heating.
- Steam ejectors are replaced with dry vacuum pumps to reduce steam load and to reduce the impact on environmental load.
- Old inefficient continuously operated motors are replaced with energy efficient IE3 motors.
- Improve steam to fuel ratio by condensate recovery, flash recovery & by replacing steam traps.

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

- Conventional fuel like furnace oil /high speed diesel are replaced with biomass briquettes (carbon neutral) fuel for Steam generation at various locations.
- In MKM plant – Power is partly sourced from wind mills.
- In Gurgaon plant – Power is partly sourced from rooftop solar.
- In Silvassa plant – Power is partly sourced from rooftop solar
- In Dadra plant – Power is partly sourced from rooftop solar
- In Dewas plant – Power is partly sourced from solar energy

3. Capital investment on energy conservation equipments

Capital investment of ₹196.2 Million has been made on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

(A) Research and Development

Expenditure on R&D –

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Capital	383.8	305.4
Revenue	9,990.3	9,897.5
Total	10,374.1	10,202.9
Total R&D expenditure as % of Total Turnover	8.3%	8.6%

(B) Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation

The Company continues to invest on R&D, both as revenue expenses as well as capital investments. This spending is directed at developing complex products, specialty products, generic products, and API technologies. Some of these products may require dedicated manufacturing blocks. Investments have been made in employing scientifically skilled and experienced manpower, adding technologically advanced and latest equipment, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

There has been thrust on the development of novel technologies like use of green reagents for chemical transformations in API synthesis, use of PAT tools in process development, and advanced crystallisation and powder processing techniques like ultrasonic crystallisation for achieving required particle size and physical characteristics for formulation, plug flow reactors, advanced flow reactors for continuous process and safety related studies using reaction calorimetry and other advanced process engineering tools. Product Life Cycle management has been undertaken for key products. Backward integration is a key strategic objective and many of our products enjoy the benefit of this backward integration.

Process optimisation based on Quality by Design (QbD) concept and robustness by six sigma calculation have been implemented for wide range of products with the objective to reduce cost and increase in-process capability.

Novel compact dosage forms having differentiation with regards to improved stability and/or reduced pharmacokinetic variability have been developed for the Indian market. Stable liquid oral formulations of labile products are also being developed.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution

(a) Offers complete basket of products under chronic therapeutic classes. Many products are in the pipeline for future introduction in India, emerging markets, as well as US and European generic market. The Company has developed an ability to challenge patents in the US market, and earn exclusivity.

(b) For FY21, 75 formulations were developed and filed from our R&D locations for the Indian and regulated markets and 177 dossiers were submitted for filing in various emerging markets. The Company has also filed 100+ drug master files across various markets during the year.

(c) Not dependent on imported technology, can make high-end products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.

(d) Offers technologically advanced differentiated products which are convenient and safe for administration to patients.

(e) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, immunosuppressant and steroidal drugs.

(f) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

(g) Clinical studies of some products (complex and difficult to formulate) have been carried out at our in-house clinical pharmacology units. This has helped to maintain R&D quality and regulatory compliance with significantly reduced cost.

3. Your company has not imported technology during the last 5 years reckoned from the beginning of the financial year.

C) Foreign Exchange Earnings and Outgo -

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Earnings	84,492.8	74,218.7
Outgo	30,333.7	27,963.9

For and on behalf of the Board of Directors

Place: Israel
Date: May 27, 2021

Israel Makov
Chairman
(DIN: 05299764)

Corporate Governance

CORPORATE GOVERNANCE INITIATIVES AT SUN PHARMA

Sun Pharma ensures adherence to regulatory requirements at all times and is committed to implement the highest standards of Corporate Governance and ethical practices. In the last few years, the Company has taken various initiatives to implement the best practices with a focus on further enhancing the Corporate Governance standards.

Highlights of the Corporate Governance Initiatives at Sun Pharma:

- The Company constituted a Corporate Governance and Ethics Committee, with the objective to monitor Company's compliance with the Corporate Governance guidelines and applicable laws and regulations, make recommendations to the Audit Committee and thereby to the Board on all such matters and on corrective actions, if any, to be undertaken, review and ensure implementation of ethical standards and practices in respect of Corporate Governance by the Company in spirit, substance and intent perspective.
- Extended the Whistle Blower mechanism to external stakeholders which enables anonymous complaints.
- Our Global Code of Conduct policy which sets forth legal and ethical standards of conduct for us, to ensure compliance with legal requirements and serves as a guide for our daily business interactions, reflecting our standard for appropriate behavior and our corporate values, is made applicable to all the employees (whether permanent or temporary) as well as employees of our subsidiaries, affiliates and business units within and outside India (except any publicly held companies and its subsidiaries).
- Sharing of general guide for investors - FAQs and Guide book is made available on the website of the Company at the link <https://sunpharma.com/investors-faqs/> for the convenience of shareholders.

- The Company has separate positions of Chairman and of Managing Director since 2012.
- The Company sends on quarterly basis, the quarterly results along with summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.
- The Company has been spending on CSR activities in some of the previous years on voluntary basis even when the average net profits of the Company were negative, and requirement for mandatory spend by the Company was not applicable to the Company for those years, as per the Companies Act, 2013.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2021.

Sun Pharmaceutical Industries Limited's philosophy envisages reaching people touching lives globally by following the core values of the Company viz Quality, Reliability, Consistency, Trust, Humility, Integrity, Passion and Innovation which are also a way of life at the Company. These values form a base of the Corporate Governance practices of the Company. The Company ensures to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, consumers, suppliers and statutory authorities.

Sun Pharmaceutical Industries Limited is committed to learn and adopt the best practices of Corporate Governance.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of your Company is ten Directors.

Composition and category of Directors is as follows:

Category of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Promoter Non-Executive and Non Independent Directors	Mr. Israel Makov (Chairman)	-
Promoter Executive Director	Mr. Dilip S. Shanghvi (Managing Director)	Brother-in-law of Mr. Sudhir V. Valia
Non-Promoter (however part of Promoter Group) Non-Executive and Non Independent Directors	Mr. Sudhir V. Valia	Brother-in-law of Mr. Dilip S. Shanghvi
Non-Promoter Executive Directors	Mr. Sailesh T. Desai (Whole-time Director)	-
	Mr. Kalyanasundaram Subramanian (Whole-time Director)	-

Category of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Executive Independent Directors	Ms. Rekha Sethi	-
	Mr. Vivek Chaand Sehgal	-
	Mr. Gautam Doshi	-
	Dr. Pawan Goenka (Appointed with effect from May 21, 2021)	-
	Ms. Rama Bijapurkar (Appointed with effect from May 21, 2021)	-

Number of Board meetings held during the year ended March 31, 2021 and the dates on which held:

Four Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2021 are as follows:

May 27, 2020; July 31, 2020; November 3, 2020; and January 29, 2021.

Number of Board meetings the Directors were entitled to attend, attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) held by audio-visual means, and number of other Directorships and Chairmanships/Memberships of Committee of each Director for the year under review, is given below:

Name of the Director	Attendance particulars for the year ended March 31, 2021			No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2021 ¹		
	Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on August 27, 2020	Other Directorships	Committee Memberships ²	Committee Chairmanships ²
Mr. Israel Makov	4	4	Yes	-	-	-
Mr. Dilip S. Shanghvi	4	4	Yes	1	-	-
Mr. Sudhir V. Valia	4	4	Yes	4	3	1
Mr. Sailesh T. Desai	4	4	Yes	3	-	-
Mr. Kalyanasundaram Subramanian	4	4	Yes	2	-	-
Ms. Rekha Sethi	4	4	Yes	5	3	-
Mr. Vivek Chaand Sehgal	4	4	Yes	6	1	-
Mr. Gautam Doshi	4	4	Yes	3	1	1

Notes:

¹ The above number of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

² The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.

Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on March 31, 2021:

Name of the Director	Other Indian Listed entities in which they hold Directorship	Category of Directorship
Mr. Dilip S. Shanghvi	Sun Pharma Advanced Research Company Ltd	Chairman and Managing Director
Mr. Sudhir V. Valia	Sun Pharma Advanced Research Company Ltd	Non Executive & Non Independent Director
Ms. Rekha Sethi	CESC Ltd	Independent Director
	Spencer's Retail Limited	Independent Director
Mr. Vivek Chaand Sehgal	Motherson Sumi Systems Ltd	Non-Executive & Non-Independent Chairman
Mr. Gautam Doshi	Suzlon Energy Limited	Non-Executive and Independent

In terms of requirement of Listing Regulations, the Board has identified the core skills/expertise/competencies of the Directors, as given below:

Knowledge	Skills	Behavioural Traits
Specialisation / Expertise	Strategic Thinking/ Planning Skills	Integrity
Finance & Accounts	Problem Solving Skills	Genuine interest
Legal	Analytical Skills	Interpersonal skills / communication
Governance	Decision Making Skills	Active Participation
Industry Knowledge	Leadership Skills	
Risk Management		
General Management		

The skills/expertise/competencies of the Directors are as given below:

Skill set / Area of Expertise	Whether the skill is possessed by the Director of the Company									
	Israel Makov	Dilip Shanghvi	Sailesh Desai	Kalyanasundaram Subramanian	Sudhir Valia	Gautam Doshi	Rekha Sethi	Vivek Chaand Sehgal	Pawan Goenka	Rama Bijapurkar
KNOWLEDGE										
Specialisation / Expertise in one or more fields	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
• In the field of:										
Finance & Accounts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	Yes				Yes	Yes			Yes	
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Knowledge (Pharma Industry)	Yes	Yes	Yes	Yes	Yes					
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

As far as Skills namely Strategic Thinking/ Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills and Leadership Skills; and Behavioural Traits namely Integrity, Genuine interest, Interpersonal skills / communication and Active Participation are concerned, all the Directors of the Company possess them.

The Independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

3. CODE OF CONDUCT

The Board of Directors has laid down a Global Code of Conduct for all Board members, and all employees, including the senior management of the Company. This Code serves as a guide for our daily business interactions reflecting our standard for appropriate behavior and our corporate values, and is designed to prevent, detect, and address any allegation of misconduct and to provide guidance to Personnel in recognising and dealing with important ethical and legal issues and to foster a culture of honesty and accountability within the organisation.

All the Directors and senior management have affirmed compliance with the Global Code of Conduct as approved and adopted by the Board of Directors and

a declaration to this effect signed by the Managing Director has been annexed as Annexure 'A' to the Corporate Governance Report. The Global Code of Conduct of the Company is available on the website of the Company at www.sunpharma.com. The Global Code of Conduct of the Company is applicable to all the employees of the Company including its subsidiary companies within and outside India, except any publicly held companies and its subsidiaries, and the employees are required to affirm compliance with the Code on an annual basis.

4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of four Directors which include three Independent Non-executive Directors viz. Ms. Rekha Sethi, Mr. Gautam Doshi, Dr. Pawan Goenka and one Whole-time Director viz. Mr. Sailesh T. Desai. Mr. Gautam Doshi is the Chairman of the Audit Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the Listing Regulations. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee inter alia include: overseeing the Company's financial reporting process, reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, recommendation for appointment, remuneration and terms of appointment of auditors of the company, reviewing the adequacy of internal audit function, discussion with internal auditors of any significant findings and follow up there on, evaluation of internal financial controls and risk management systems, review functioning of Whistle Blower/ Vigil Mechanism, approval of appointment of Chief Financial Officer, review and monitor the auditor's independence and performance, effectiveness of audit process, approval of transactions with related parties and reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments etc.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

Executives from the Finance Department, representatives of the Statutory Auditors and Internal Audit Department are also invited to attend the Audit Committee Meetings, whenever necessary.

The Committee has discussed with the Statutory Auditors and the head, Internal Audit about their audit methodology, audit planning and significant observations/ suggestions made by them.

In addition, the Committee has discharged such other role/ functions as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

Six Audit Committee Meetings were held during the year ended March 31, 2021. The dates on which the Meetings were held are as follows:

April 24, 2020, May 26, 2020¹; July 30, 2020²; August 31, 2020; November 2, 2020³; and January 28, 2021⁴.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Audit Committee Meetings entitled to attend	Number of Audit Committee Meetings attended
Mr. Gautam Doshi	6	6
Ms. Rekha Sethi	6	6
Mr. Sailesh T. Desai	6	6

¹ The Audit Committee meeting held on May 26, 2020 was adjourned for consideration of few agenda items and the adjourned meeting was held on May 27, 2020, and the adjourned meeting was attended by all members.

² The Audit Committee meeting held on July 30, 2020 was adjourned for consideration of few agenda items and the adjourned meeting was held on July 31, 2020, and the adjourned meeting was attended by all members.

³ The Audit Committee meeting held on November 2, 2020 was adjourned for consideration of few agenda items and the adjourned meeting was held on November 3, 2020, and the adjourned meeting was attended by all members.

⁴ The Audit Committee meeting held on January 28, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on January 29, 2021, and the adjourned meeting was attended by all members.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of four Non-executive Directors viz. Ms. Rekha Sethi, Mr. Israel Makov, Mr. Gautam Doshi and Dr. Pawan Goenka. Ms. Rekha Sethi is the Chairperson of the Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Nomination and Remuneration Committee inter alia include; to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/ or approve remuneration to Whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify 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 the appointment or removal of such persons and carry out evaluation of every directors' performance, recommending to the board, all remuneration, in whatever form, payable to senior management etc.

The Nomination and Remuneration Committee has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/ CFD/CMD/ CIR/P2017/004 dated January 5, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters like knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment.

Four meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2021. The dates on which the meetings were held are as follows:

May 27, 2020; July 31, 2020; November 3, 2020 and January 27, 2021.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Nomination and Remuneration Committee Meetings entitled to attend	Number of Nomination and Remuneration Committee Meetings attended
Ms. Rekha Sethi	4	4
Mr. Israel Makov	4	4
Mr. Gautam Doshi	4	4

6. REMUNERATION OF DIRECTORS

The remuneration of the Managing Director and Whole-time Director(s) is approved by the Board, as per recommendation of the Nomination and Remuneration Committee within the overall limit fixed by the shareholders at their meetings.

The Non-Executive Directors of the Company are entitled to sitting fees of ₹100,000/- for attending each meeting of the Board and/or of Committee thereof except the Corporate Governance and Ethics Committee for which they are entitled to ₹50,000/- for each meeting of the Committee.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2021 are given below:-

Directors	(Amount in ₹)				
	For the year ended March 31, 2021				
	Salary ¹	Bonus	Perquisites / Benefits ²	Sitting Fees	Total
Mr. Dilip S. Shanghvi	34,623,060	6,924,612	4,505,167	-	46,052,839
Mr. Sudhir V. Valia	-	-	-	1,300,000	1,300,000
Mr. Sailesh T. Desai	12,150,924	2,430,185	2,239,213	-	16,820,322
Mr. Kalyanasundaram Subramanian ¹	58,686,206	4,083,161	2,609,499	-	65,378,866
Mr. Israel Makov	-	-	-	800,000	800,000
Ms. Rekha Sethi	-	-	-	2,200,000	2,200,000
Mr. Vivek Chaand Sehgal	-	-	-	600,000	600,000
Mr. Gautam Doshi	-	-	-	2,300,000	2,300,000

Note:

¹ Salary includes Special Allowance. Salary of Mr. Kalyanasundaram Subramanian also includes variable pay of ₹7,637,106/-.

² Perquisites include House Rent Allowance, if any, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors, as per Company Policy.

Besides this, all the Whole-time Directors to whom remuneration is paid are also entitled to encashment of leave as per Company policy, and gratuity at the end of tenure, as per the rules of the Company.

Notes:-

- The Agreement with Mr. Dilip S. Shanghvi, Managing Director for his present term of appointment is for a period of 5 years from April 1, 2018 to March 31, 2023 and remuneration for period of three years from April 1, 2018 to March 31, 2021, and thereafter renewed for further period of two years from April 1, 2021 to March 31, 2023. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.
- The Agreement with Mr. Sailesh T. Desai, Whole-time Director for his present term of appointment is for a period of 5 years from April 1, 2019 to March 31, 2024 and remuneration for period of 3 years from April 1, 2019 to March 31, 2022. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.
- The agreement for appointment of Mr. Kalyansundaram Subramanian, Whole-time Director, was for a period of 2 years with effect from February 14, 2019 to February 13, 2021, including for payment of remuneration. The Nomination and Remuneration Committee and the Board of Directors have approved the re-appointment and remuneration of Mr. Kalyanasundaram Subramanian for a further period of 2 years with effect from February 14, 2021 to February 13, 2023, subject to approval of members at the ensuing 29th Annual General Meeting. Either party to the agreement is entitled

to terminate the Agreement by giving to the other party 3 months' notice in writing.

- d) There is no separate provision for payment of severance fees to Whole-time Director(s).
- e) The remuneration of Whole-time Directors consists only of fixed components except for Mr. Kalyanasundaram Subramanian.

The details of Equity Shares held by Non-Executive Directors as on March 31, 2021 are as follows:

Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Ms. Rekha Sethi	Nil
Mr. Vivek Chaand Sehgal	Nil
Mr. Gautam Doshi	8000
Mr. Sudhir Valia	14345019

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee presently comprises of three Directors viz. Mr. Gautam Doshi, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia. Mr. Gautam Doshi is the Chairman of the Committee. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and also of Regulation 20 of the Listing Regulations.

Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. Mr. Sunil R. Ajmera and Mr. Ashok Bhuta are Compliance Officers of the Company.

The terms of reference of the Committee inter alia include the following: Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings; Review of measures taken for effective exercise of voting rights by shareholders; Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company etc.

The Board has designated severally, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, Sr. G.M - Secretarial as Compliance Officers for the purposes of/under rules, regulations etc. issued by the Securities Exchange Board of India, Stock Exchanges, and Companies Act, 2013.

Four meetings of the Stakeholders' Relationship Committee were held during the year ended March 31, 2021. The dates on which Meetings were held are as follows:

May 27, 2020; July 30, 2020; November 3, 2020 and January 28, 2021.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Stakeholders' Relationship Committee Meetings entitled to attend	Number of Stakeholders' Relationship Committee Meetings attended
Mr. Gautam Doshi	4	4
Mr. Sudhir V. Valia	4	3
Mr. Dilip S. Shanghvi	4	4

Investor Complaints:

The total numbers of complaints received and resolved to the satisfaction of shareholders, during the year under review were 2. There were no complaints pending at the beginning or at the end of the year.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee presently comprises of four Directors viz. Mr. Sudhir V. Valia, Ms. Rekha Sethi, Ms. Rama Bijapurkar and Mr. Dilip S. Shanghvi. The Chairman of the Committee is Mr. Dilip S. Shanghvi. The constitution of the Corporate Social Responsibility Committee meets the requirements of section 135 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. Ms. Rama Bijapurkar has been appointed as the member of the Committee with effect from May 27, 2021. Pursuant to the amendments to the Listing Regulations on May 5, 2021, the terms of reference of the CSR Committee were revised with effect from May 27, 2021. The revised terms of reference are: To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities/ projects to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013; to monitor the Corporate Social Responsibility Policy of the company from time to time and recommend revision / amendments thereof, wherever required; to recommend the amount of expenditure to be incurred in the above referred

activities/projects; to formulate and recommend to the Board, an Annual Action Plan in pursuance of the Corporate Social Responsibility Policy of the Company and the provisions of the Companies Act, 2013, which shall include the list of CSR projects or programs, the manner of execution of such projects or programs, the modalities of utilisation of funds and implementation schedules for the projects or programs; to monitor and review the utilisation of the funds on the CSR activities/projects, as approved by the Board; to advise board on surplus funds generated out of CSR projects undertaken, and recommend their utilisation on the CSR activities/projects of the Company; to monitor/ review the amount incurred towards administrative overheads and to recommend the Board its treatment, to review and monitor the applicability of the Impact Assessment of the CSR Projects undertaken by the Company and if applicable; to review unspent amounts, if any, and recommend to Board, the transfer of such amounts in accordance with provisions of the Companies Act, 2013 etc. The CSR Policy of the Company can be accessed through the web link: <https://www.sunpharma.com/policies>.

During the year ended March 31, 2021, three meetings of Corporate Social Responsibility Committee were held on May 26, 2020 and November 2, 2020 and January 28, 2021. The attendance of each member of Committee is as follows:

Name of the Director	Number of Corporate Social Responsibility Committee meetings entitled to attend	Number of Corporate Social Responsibility Committee meetings attended
Mr. Dilip S. Shanghvi	3	3
Mr. Sudhir V. Valia	3	3
Ms. Rekha Sethi	3	3

9. RISK MANAGEMENT COMMITTEE

The Risk Management Committee presently comprises of Mr. Dilip S. Shanghvi, Managing Director of the Company, Mr. Gautam Doshi, Mr. Sudhir V. Valia, Directors of the Company and Mr. C. S. Muralidharan, Chief Financial Officer of the Company. The Chairman of the Committee is Mr. Dilip S. Shanghvi. Mr. Gautam Doshi, Independent Director, has been appointed as the member of the Risk Management Committee with effect from May 20, 2021. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations. Pursuant to the amendments to the Listing Regulations on May 5, 2021, the terms of reference of the Risk Management Committee were revised with effect from May 27, 2021. The revised

terms of reference are: To formulate a detailed risk management policy which shall include a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, Measures for risk mitigation including systems and processes for internal control of identified risks, Business continuity plan; to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; to review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any), to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees etc.

During the year ended March 31, 2021, two meetings of Risk Management Committee were held on May 26, 2020 and October 30, 2020.

The attendance of each member of committee is as follows:

Name of the member	Number of Risk Management Committee meetings entitled to attend	Number of Risk Management Committee meetings attended
Mr. Dilip S. Shanghvi	2	2
Mr. Sudhir V. Valia	2	2
Mr. C S Muralidharan	2	2

10. CORPORATE GOVERNANCE AND ETHICS COMMITTEE

The Corporate Governance and Ethics Committee comprises of Mr. Gautam Doshi, Director, Ms. Rekha Sethi, Director, Dr. Pawan Goenka, Mr. C. S. Muralidharan, Chief Financial Officer and Mr. Ashok Bhuta Senior GM - Secretarial & Compliance Officer as the members of the Committee. Mr. Gautam Doshi is the Chairman of the Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. The terms of reference of committee inter alia include: to review the ethical standards and best practices in respect of Corporate Governance by the Company

in spirit, substance and intent perspective apart from benchmarking wherever possible with the best practices that are comparable across the industry; to monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be undertaken, as the Committee may deem appropriate; to set forth policies in respect of furtherance of its objectives and recommend changes and monitor and review compliance of such policies by the Company's directors, officers and employees; to review, recommend changes and monitor the implementation of the Related Party Transactions Policy of the Company and ensure that the Company is in compliance with the applicable regulations in respect of Related Party transactions from time to time etc. The Corporate Governance and Ethics Committee reports to the Audit Committee.

Six meetings of the Corporate Governance and Ethics Committee were held during the year ended March 31, 2021. The dates on which the Meetings were held are as follows:

April 24, 2020; May 26, 2020; July 30, 2020; August 31, 2020; November 2, 2020; and January 27, 2021.

The attendance of each Member of the Committee is given below:

Name of the Member	Number of Corporate Governance & Ethics Committee Meetings entitled to attend	Number of Corporate Governance & Ethics Committee Meetings attended
Mr. Gautam Doshi	6	6
Ms. Rekha Sethi	6	6
Mr. C S Muralidharan	6	6
Mr. Ashok Bhuta	6	6

11. SUBSIDIARY COMPANIES

In accordance with Regulation 16 of the Listing Regulations during the year ended March 31, 2021, Sun Pharmaceutical Industries, Inc and Taro Pharma USA & Canada were material unlisted foreign subsidiary companies whose turnover or net worth as per Companies Act, 2013 exceeded 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year and Sun Pharma Laboratories Limited, Sun Pharma Distributors Limited and Sun Pharma Holdings, Mauritius were material unlisted subsidiary companies whose turnover or net worth as per Companies Act, 2013 exceeded 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Ms. Rekha Sethi, Independent Director of the Company is also Director on the Board of Sun Pharma Laboratories Limited and Sun Pharma Distributors Limited. Mr. Gautam Doshi, Independent Director of the Company is also Director on the Board of Sun Pharma Global FZE and Sun Pharma Holdings.

The financial statements including investments made by the unlisted subsidiaries were placed before and reviewed by the Audit Committee of the Company.

The Board of Directors of the Company reviewed periodically, the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies. Copies of the Minutes of the Board Meetings of the unlisted subsidiary Companies were placed at the Board Meetings of the Company held during the year.

The policy for determining material subsidiaries of the Company is available on the website of the Company and can be accessed at: <https://www.sunpharma.com/policies>.

12. GENERAL BODY MEETINGS

(i) Location and time of the last three Annual General Meetings:

Year	Meeting	Location	Date	Time
2017 -2018	Twenty- Sixth AGM	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020	September 26, 2018	2:45 p.m.
2018-2019	Twenty- Seventh AGM	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020	August 28, 2019	3:15 p.m.
2019-2020	Twenty- Eighth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara - 390012, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020	August 27, 2020	3:30 p.m.

(ii) Special Resolutions passed at the last three Annual General Meetings:

a) At the Twenty-Sixth Annual General Meeting.

- (1) Approval for re-appointment of Mr. Sudhir V. Valia (DIN: 00005561) as Whole-time Director of the Company upon the expiry of his present term of office on March 31, 2019, for a further period of 5 (Five) years commencing from April 01, 2019 to March 31, 2024 and remuneration for a period of 3(three) years commencing from April 01, 2019 to March 31, 2022.
- (2) Approval for re-appointment of Mr. Sailesh T. Desai (DIN: 00005443) as Whole-time Director of the Company upon the expiry of his present term of office on March 31, 2019, for a further period of 5 (Five) years commencing from April 01, 2019 to March 31, 2024 and remuneration for a period of 3(three) years commencing from April 01, 2019 to March 31, 2022.
- (3) Approval for continuation of Directorship of Mr. Israel Makov (DIN:05299764), Non-executive Director and Chairman of the Company, having attained the age beyond the age of 75 years as required under Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from April 01, 2019.

b) At the Twenty-Seventh Annual General Meeting

- (1) Approval for consent/ratification of excess commission paid to Non-executive Directors for the year 2013-14 pursuant to the letter received from MCA in respect of abatement of the pending applications for approval of remuneration
- (2) Approval of remuneration to be paid to Mr. Kalyanasundaram Subramanian, Whole-time Director, with effect from July 04, 2019 till remaining term of his appointment upto February 13, 2021.

c) At the Twenty-Eighth Annual General Meeting

- (1) Approval of maximum remuneration of Mr. Dilip Shanghvi, Managing Director, for further period of two years i.e. from April 01, 2021 to March 31, 2023.

Resolution Passed Through Postal Ballot:

No resolution was passed through postal ballot during the year under review.

Resolution passed at Tribunal Convened Meetings:

Pursuant to the order dated January 07, 2021, passed by the Hon'ble NCLT, Ahmedabad Bench, separate meetings of unsecured creditors and equity shareholders of the Company were held through Video

Conferencing on Tuesday, March 16, 2021 wherein resolution for approving the Scheme of Amalgamation and Merger of Sun Pharma Global FZE ('Transferor Company') with Sun Pharmaceutical Industries Limited ('Transferee Company'), and their respective members and creditors was passed with requisite majority.

13. DISCLOSURES

- No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties as per Ind AS-24, are disclosed in Note 50 of the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021.
- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years. However, during the period under review, the Company and the then KMPs and an officer had filed settlement applications under SEBI (Settlement Proceedings) Regulations, 2018 on July 18, 2020 to expeditiously close the matter pertaining to adjudication proceedings initiated vide show-cause notices dated May 19, 2020, without admitting or denying the finding of fact and conclusion of law in respect of alleged violations of certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant for timely compliances of disclosures and approvals pertaining to related parties and have paid the settlement charges recommended by SEBI. Subsequently, the adjudication proceedings initiated vide show-cause notices dated May 19, 2020 were disposed of in terms of section 15JB of the SEBI Act, 1992 and Section 23JA of the SCRA read with regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018. The aggregate settlement charges were ₹2,92,10,250/- (Two crores, ninety two lakhs, ten thousand, two hundred and fifty). The settlement amounts for individuals, have subsequently been received by the Company.
- The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- The Board of Directors of the Company has approved a Whistle Blower Policy/Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to

be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointed to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy of the Company also enables external parties to report any matter.

- Details of the familiarisation programme of the independent directors are available on the website of the Company at: <https://www.sunpharma.com/policies>
- During the year, two separate meetings of the independent directors were held on October 1, 2020 and January 29, 2021. At a meeting of independent directors the performance of non-independent directors and the board as a whole was evaluated.
- The policy on dealing with the related party transactions is available on the website of the Company and can be accessed at: <https://www.sunpharma.com/policies>.
- During the year, there were pecuniary transactions with the Companies in which Non-Executive Directors are interested as follows: a) Transactions of receiving of services from Makov Associates Limited of ₹187,243,223/- (Previous Year (PY): ₹143,930,686/-) in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman is interested; b) Transactions with MotherSumi Infotech & Designs Limited for receiving of services: ₹76,841,912/- (PY: ₹4,773,342/-) for purchase of property, plant and equipment: ₹3,497,717/- (PY: Nil) and with Anest Iwata MotherSumi Private Limited for receiving of services: ₹197,189/- (PY: ₹8,204/-) in which entities Mr. Vivek Chaand Sehgal, Non-Executive and Independent Director is interested; c) Transactions with Fortune Integrated Assets Finance Limited for revenue from contract with customers: ₹59,748/- (PY: Purchase of Goods: ₹34,740/-), with Sun Petrochemicals Private Limited for lease rent received: ₹2,400,000/- (PY: ₹2,400,000/-), with Kism Textiles Private Limited for purchase of goods/services: ₹206,700/- (PY: Nil), transactions with Sun Pharma Advanced Research Company Limited for Revenue from contracts with customers, net of returns, purchase and sale of property, plant and equipment, royalty expenses, receiving of service expenses, reimbursement of expenses paid, rendering of service income, reimbursement of expenses received and lease rent received: ₹2,166,860,424/- (PY: ₹507,603,286/-), transaction with Alfa Infraprop Private Limited for Other operative income/ other income: ₹22,693,009 (PY: Nil) and reimbursement of expenses paid: ₹31,917,752/- (PY: Nil), Donation to Shantilal Shanghvi Foundation: ₹100,000,000/- (PY: Nil) in which entities Mr. Sudhir Valia, Non-Executive and Non-Independent Director is interested except for the subsidiaries of the Company wherein it is deemed that he does not have any personal / pecuniary interest; d) Transactions with Anshul Speciality Molecules Private Limited for Purchase of Goods/services: ₹55,253,539/- (PY: ₹17,580,630/-) in which Mr. Gautam Doshi, Non-Executive and Independent Director is interested.
- All the transactions with entities in which the Independent Directors are/were interested constitute negligible percent of the revenue of the Company.
- Apart from the above and sitting fees paid to Non-Executive Directors, there are no pecuniary transactions with Non Executive directors of the Company or the companies in which they are interested which had potential conflict of interest with the Company.
- Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority has been annexed as Annexure 'B' to the Corporate Governance Report.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part was ₹15,72,78,613/- (Rupees Fifteen Crore Seventy Two Lakhs Seventy Eight Thousand Six Hundred and Thirteen only), for the year under review
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year: 0

- b. number of complaints disposed of during the financial year: 0
- c. number of complaints pending as on end of the financial year: 0
- Details of compliance and Adoption/Non Adoption of the non-mandatory requirements for the year ended March 31, 2021:
 - A. The Company complies with all the mandatory requirements specified under Listing Regulations.
 - B. The Company sends quarterly results alongwith summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.
 - C. The auditors have issued an unmodified opinion to the financial statements of the Company.
 - D. The Head, Global Internal Audit Department of the Company reports to the Audit Committee on all the key matters including its findings.

14. MEANS OF COMMUNICATION

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The Annual Report for 2020-21 and Annual Report/ Abridged Annual Report for the past years are also available on the website in a user friendly and downloadable form. Apart from this, official news releases, detailed presentations made to media, analysts etc., and the transcript of the conference calls are also displayed on the Company's website.
- **Financial Results:** The annual, half-yearly and quarterly results are regularly posted by the Company on its website www.sunpharma.com and are also sent to the shareholders whose e-mail IDs are registered with the Company. These are also submitted to the Stock Exchanges on which the securities of the Company are listed in accordance with the requirements of the Listing Regulations and published in all English Editions of 'Financial Express' and Gujarati Edition of 'Financial Express' which is published in Ahmedabad. However, pursuant to exemption granted by Securities and Exchange Board of India (SEBI) vide its circular no.

SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 and vide subsequent circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, following were permitted not to be published in the newspapers: a) Notice for intimation of Board Meeting held on May 27, 2020. b) Extract of Financial Results for the quarter and year ended March 31, 2020. Therefore, the same were not published.

- **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Board's Report, the Management Discussion and Analysis Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered. However pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and MCA General Circular No. 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, due to COVID, no physical copies of the Annual Report for FY 2019-20 were sent. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and MCA General Circular 2/2021 dated January 13, 2021 in continuation of MCA General Circular No. 20/2020 dated May 5, 2020 no physical copies of the Annual Report for FY 2020-21 will be sent.
- **Chairman's Communique:** The Chairman's Speech is sent to the stock exchanges and placed on the website of the Company.
- **Reminder to Investors:** Reminders for unpaid dividend are sent to shareholders, regularly every year.
- **Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com and National Stock Exchange of India Ltd. - www.nseindia.com and also on the website of the Company - www.sunpharma.com.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Day, Date and Time	Tuesday, August 31, 2021 at 3:00 p.m
Venue	Through Video Conferencing/Other Audio Visual means

15.2 Financial Calendar (tentative):

Results for quarter ending June 30, 2021	Last week of July 2021/First week of August 2021.
Results for quarter ending September 30, 2021	Last week of October 2021/First week of November 2021.
Results for quarter ending December 31, 2021	Last week of January 2022/First week of February 2022.
Audited Results for year ended March 31, 2022	Third or Fourth week of May 2022.

15.3 Details of Book-closure for Equity Shareholders:

From Wednesday, August 25, 2021 to Tuesday, August 31, 2021 (both days inclusive)

15.4 Dividend Payment Date:

On or before, Thursday, September 17, 2021

15.5 Listing Details

(a) Trading Symbol at BSE Ltd., Market Operations Dept., P. J. Towers, Dalal Street, Mumbai - 400 001	524715
(b) Trading Symbol at National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	SUNPHARMA
(c) Demat ISIN Numbers in NSDL and CDSL for Equity Shares of ₹1/- each	ISIN No.INE044A01036

The Company has paid the Listing fees for the Financial Year 2020-21, to BSE Ltd National Stock Exchange of India Ltd.

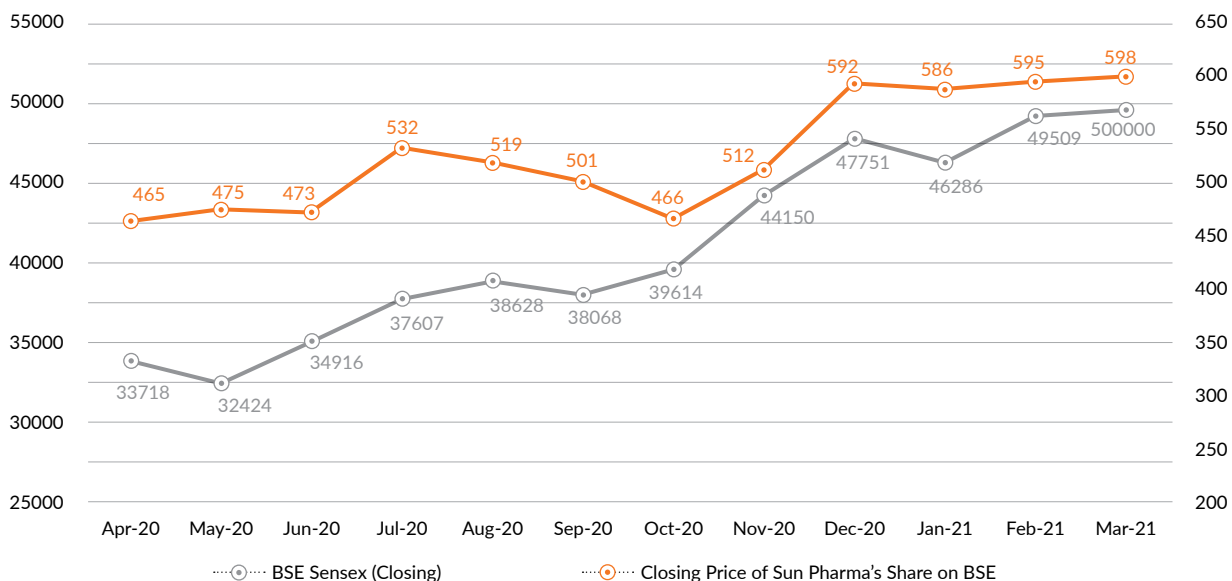
15.6 Stock Market Data - Equity Shares of ₹1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2020	504.85	338.60	504.80	338.40
May, 2020	481.45	434.25	481.60	434.25
June, 2020	512.55	457.00	512.70	455.00
July, 2020	540.75	466.15	541.00	466.15
August, 2020	564.90	514.50	564.75	514.05
September, 2020	535.00	483.00	535.00	483.00
October, 2020	529.40	452.60	529.30	452.25
November, 2020	526.00	459.30	526.00	459.05
December, 2020	599.50	514.75	599.45	512.65
January, 2021	627.95	550.70	628.00	550.40
February, 2021	653.70	561.65	654.40	579.60
March, 2021	636.45	562.40	636.75	562.10

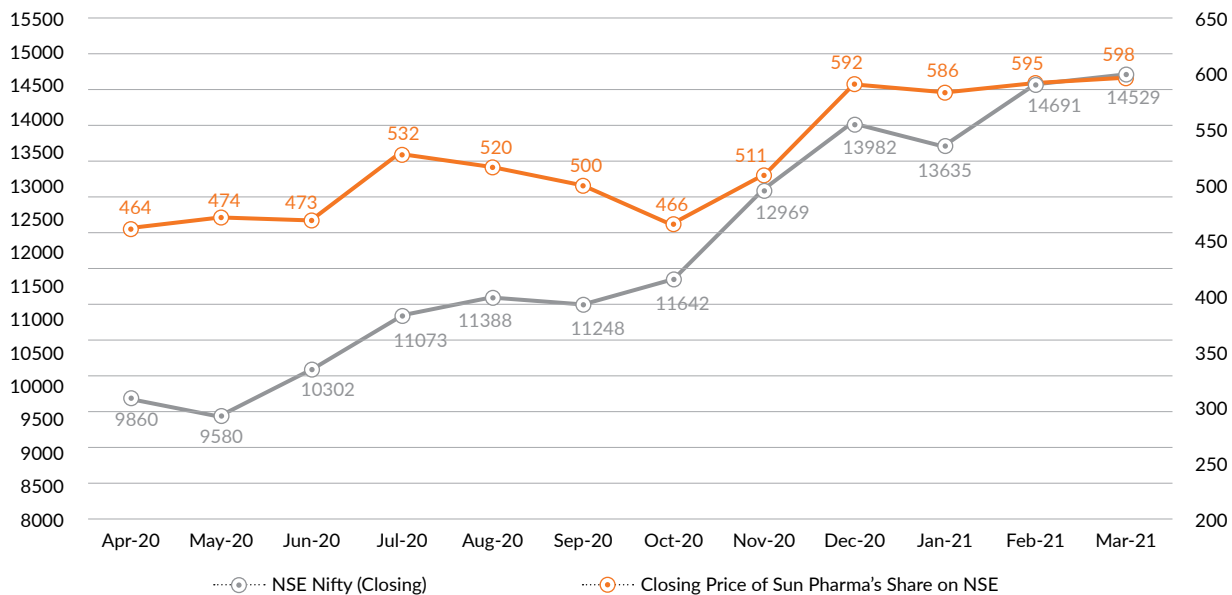
(Source: BSE and NSE website)

15.7 Share Price performance in comparison to broad-based indices – BSE Sensex and NSE Nifty

Sun Pharmaceutical Industries Limited & BSE Sensex closing price:



Sun Pharmaceutical Industries Limited & NSE Nifty closing price:



15.8 Share price performance relative to NIFTY and BSE Sensex based on share price on March 31, 2021

% change in			% change in				
Period	Sun Pharma Share Price	Nifty	Sun Pharma relative to Nifty	Period	Sun Pharma Share Price	BSE Sensex	Sun Pharma relative to Sensex
Year-on-Year	69.68%	70.87%	-1.18%	Year-on-Year	69.68%	68.01%	1.67%
2 Years	24.84%	26.38%	-1.54%	2 Years	24.69%	28.02%	-3.33%
3 Years	20.74%	45.26%	-24.51%	3 Years	20.63%	50.17%	-29.54%
5 Years	-27.10%	89.84%	-116.94%	5 Years	-27.07%	95.37%	-122.44%
10 Years	170.19%	151.82%	18.37%	10 Years	170.53%	154.61%	15.92%

(Source: Compiled from data available on BSE and NSE website)

15.9 Registrars & Transfer Agent

Registrars & Transfer Agent
(Share transfer and communication regarding share certificates, dividends and change of address)

Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
E-Mail: rnt.helpdesk@linkintime.co.in
Tel: 022- 49186270
Fax : 022- 49186060

15.10 Share Transfer System

Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders.

15.11 Distribution of Shareholding as on March 31, 2021

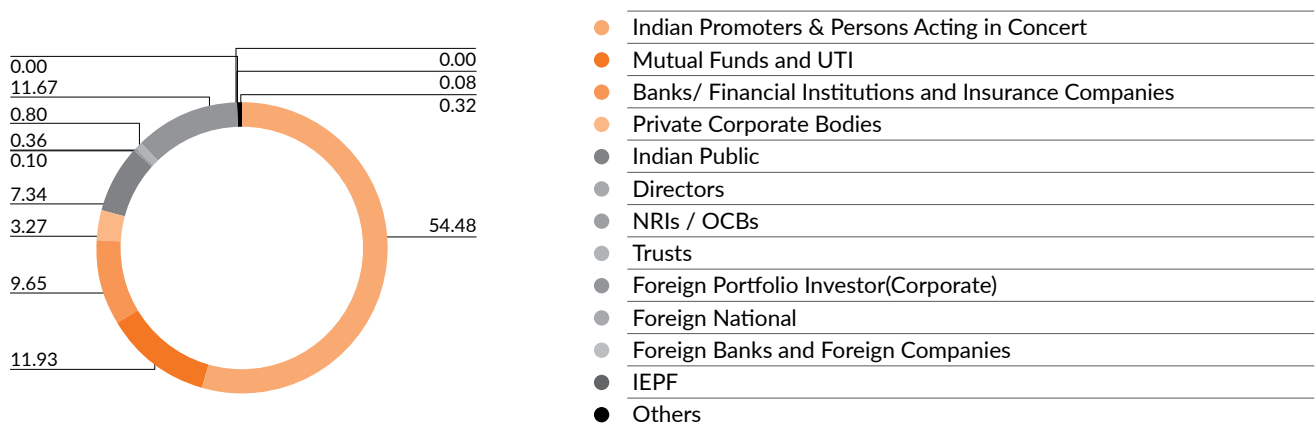
No. of Equity Shares held	No. of folios		Shares of face value ₹1/- each	
	Numbers	% to total folios	Numbers	% to total folios
Upto 5000	725695	99.17	101487883	4.23
5001 – 10000	2743	0.37	19510750	0.81
10001 – 20000	1836	0.25	23629995	0.98
20001 – 30000	343	0.05	8519710	0.36
30001 – 40000	149	0.02	5265421	0.22
40001 – 50000	117	0.02	5317201	0.22
50001 – 100000	245	0.03	17863080	0.75
100001 and above	640	0.09	2217740930	92.43
Total	731,768	100.00	2,399,334,970	100.00

15.12 Category-wise Shareholding as on March 31, 2021 of Equity Shares

Particulars	No. of Shares	Percentage
A. Indian Promoters and Persons acting in Concert	1307134535	54.48
B. Mutual Funds and UTI	286344897	11.93
C. Banks/ Financial Institutions and Insurance Companies	231552798	9.65
D. Private Corporate Bodies	78437932	3.27
E. Indian Public	176103917	7.34
F. Directors	2493747	0.10
G. NRIs /OCBs	8648013	0.36
H. Trusts	19137330	0.80
I. Foreign Portfolio Investor (Corporate)	279978304	11.67
J. Foreign National	23092	0.00
K. Foreign Bank and Foreign Companies	31549	0.00
L. IEPF	1900039	0.08
M. Others	7548817	0.32
Total	2399334970	100.00

Shareholding Pattern as on March 31, 2021:

(%)



15.13 Dematerialisation of Shares

About 99.70% of the outstanding Equity shares have been dematerialised up to March 31, 2021. Trading in Shares of the Company is permitted only in dematerialised form.

Liquidity:

Our Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd., (NSE) and The BSE Ltd. (BSE). Relevant data for the average daily turnover for the financial year FY 2020-21 is given below:

	BSE	NSE	BSE + NSE
In no. of shares (in Thousands)	388.72	10519.13	10907.86
In value terms (₹ Million)	206.06	5445.70	5651.76

(Source: Compiled from data available on NSE and BSE website)

15.14 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2021.

Outstanding Stock Options

There are no Stock Options outstanding as on March 31, 2021.

Outstanding Unclaimed Shares

The status of outstanding unclaimed shares in the Unclaimed Share Suspense Account of the Company is as under:-

Particulars	No. of Shareholders	No. of equity shares of ₹1/- each
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2020.	296	130716
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2020 up to March 31, 2021	0	0
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period from April 1, 2020 up to March 31, 2021.	0	0
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2021.	296	130716

*The voting rights in respect of these shares shall remain frozen till the claim of the righteous shareholders is approved by the Company.

15.15 Disclosure of commodity price risk or foreign exchange risk and commodity hedging activities

The Company is exposed to foreign exchange risks emanating from our business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company proactively uses hedging instruments e.g. forward contracts, options and other simple derivatives from time to time. The Company does not have any significant exposure on commodities directly.

15.16 Plant locations as on March 31, 2021:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1) Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa - 396 230, U.T. of D & NH. 2) Survey no. 259/15, Dadra - 396191, U.T. of D. & NH. 3) Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli - 395 116, Dist. Bharuch, Gujarat. 4) Plot No. 4708, GIDC, Ankleshwar - 393 002, Gujarat. 5) Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat. 6) Plot No. 817/A, Karkhadi - 391 450, Taluka: Padra, Dis5. Vadodara, Gujarat. | <ol style="list-style-type: none"> 7) Plot No. Z/15, Sez-1, Po. Dahej, Taluko vagra, Dist. Bharuch, Gujarat. 8) A-7 & A-8, MIDC Industrial Area, Ahmednagar - 414 111, Maharashtra. 9) Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa 10) Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour, Himachal Pradesh 11) Village Toansa, P.O. Railmajra Distt. Nawansahar-144533 (Punjab) 12) A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab) 13) Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, Madhya Pradesh 14) Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001, Madhya Pradesh 15) Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu - 603 303. 16) Khasra No. - 1335-1340, Near Epip Phase-1, Hill Top Industrial Area, Vill.-Bhatolikalan, P.O.- Barotiwala, Distt-Solan, Himachal Pradesh, India - 174103 |
|---|--|

15.17 Investor Correspondence:

Registrars & Transfer Agent:	Link Intime India Private Limited, Unit: Sun Pharmaceutical Industries Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai (INDIA) - 400083 Tel. No.: +91 22 49186270 / +91 22 49186000 Fax No.: +91 22 49186060 E-Mail: rnt.helpdesk@linkintime.co.in / sunpharma@linkintime.co.in
Individual Investors & Queries Related to Shares/Dividend, etc. Secretarial Department	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2230 Email : secretarial@sunpharma.com
Institutional Investors: Mr. Nimish Desai	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2778 Email: nimish.desai@sunpharma.com
Nodal Officer (for the purpose of IEPF) Mr. Sunil Ajmera, Company Secretary	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2231 Email: secretarial@sunpharma.com

15.18 List of all credit ratings

Rating Agency	Instrument Type	Rating	Remarks
ICRA Limited	Bank Facility (Short-Term Scale)	[ICRA] A1+	No revisions in credit rating during the FY21
	Long-Term/Short-Term Borrowing	[ICRA] AAA (Stable)/ [ICRA] A1+	
	Commercial Paper	[ICRA] A1+	
CRISIL Limited	Bank Facility (Short-Term)	CRISIL A1+	No revisions in credit rating during the financial year FY21
	Bank Facility (Long-Term)	CRISIL AAA/ Stable	
	Commercial Paper	CRISIL A1+	

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director
(DIN: 00005588)

SAILESH T. DESAI

Whole-time Director
(DIN: 00005443)

Date : May 27, 2021

ANNEXURE 'A' TO CORPORATE GOVERNANCE REPORT

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT FOR THE YEAR ENDED MARCH 31, 2021

I, Dilip S. Shanghvi, Managing Director of Sun Pharmaceutical Industries Limited ("the Company") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Global Code of Conduct laid down by the Board of Directors of the Company.

For Sun Pharmaceutical Industries Ltd.,

Date: May 27, 2021

Dilip S. Shanghvi
Managing Director
(DIN: 00005588)

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE

(pursuant to Regulation 34(3) and schedule V para C clause (10) (i) of the SEBI (Listing Obligation Disclosure requirement) Regulation, 2015)

To,
The Member of
Sun Pharmaceutical Industries Limited
CIN: L24230GJ1993PLC019050
Add: SPARC, Tandalja, Vadodara Gujarat - 390012

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Sun Pharmaceutical Industries Limited having CIN L24230GJ1993PLC019050 and having registered office at SPARC, Tandalja, Vadodara Gujarat - 390012 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V para - C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the Financial year ending on March 31 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange and Board of India, Ministry of Corporate affairs or any such other Statutory Authority.

Sr. No	Name of the Directors	Director Identification Number (DIN)	Date of Appointment in the Company
1	Israel Makov	05299764	29-05-2012
2	Dilip S. Shanghvi	00005588	01-03-1993
3	Sudhir V. Valia	00005561	31-01-1994
4	Sailesh T. Desai	00005443	25-03-1999
5	Kalyanasundaram Subramanian	00179072	14-02-2017
6	Rekha Sethi	06809515	13-02-2014
7	Vivek Chaand Sehgal	00291126	14-11-2017
8	Gautam Bhailal Doshi	00004612	25-05-2018

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, KJB & CO LLP,

Practising Company Secretaries,
Firm Unique Identification No. - L2020MH006600
Peer Review Certificate No. - 934/2020

Alpeshkumar Panchal

Partner
ACS No. : 49008
C P No. : 20120
UDIN: A049008C000380614
Date: May 27, 2021
Place: Vadodara

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Sun Pharmaceutical Industries Limited

1. The Corporate Governance Report prepared by Sun Pharmaceutical Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2020 to March 31, 2021:
 - (a) Board of Directors meetings;
 - (b) Audit Committee meetings;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee meeting;
 - (e) Stakeholders Relationship Committee meeting;
 - (f) Risk Management Committee meetings;
 - (g) Corporate Social Responsibility Committee meetings;
 - (h) Corporate Governance and Ethics Committee meetings; and
 - (i) Independent Directors meeting
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

8. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner
Membership Number: 105754
UDIN: 21105754AAAACW5257

Place of Signature: Pune

Date: May 27, 2021