

BOARD'S REPORT

Your Directors take pleasure in presenting the Thirtieth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2022 ('FY2021-22').

FINANCIAL RESULTS

(₹ in Million)

| | Standalone | | Consolidated | |
|--|------------------------------|-------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2022 | *Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Revenue from operations | 155,859.8 | 141,160.5 | 386,544.9 | 334,981.4 |
| Profit before exceptional item and tax | 21,273.9 | 9,451.3 | 90,481.4 | 71,055.1 |
| Exceptional Item | 18,205.3 | 895.6 | 45,668.2 | 43,061.4 |
| Profit before tax but after exceptional item | 3,068.6 | 8,555.7 | 44,813.2 | 27,993.7 |
| Profit/(Loss) after tax | (999.9) | 8,424.0 | 34,058.2 | 22,846.8 |
| Opening balance in Retained Earnings | 159,645.5 | 140,052.7 | 365,980.9 | 353,200.5 |
| Closing balance in Retained Earnings | 136,120.8 | 159,645.5 | 376,456.5 | 365,980.9 |

*Refer Note 54(12) of Standalone Financial Statements

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There have been no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of this report.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2022, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Companies Act, 2013 ('Act') with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- 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, 2022, and of the loss of the Company for the year ended on that date;
- 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;

- the Directors have prepared the annual accounts on a going concern basis;
- 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
- 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.

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.

DIVIDEND

During the year under review, your Directors at their meeting held on January 31, 2022 declared an interim dividend of ₹ 7/- (Rupees Seven only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 5.50/- (Rupees Five and Paise Fifty only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2022. The interim dividend was paid on February 18, 2022 to those shareholders who held shares as on February 10, 2022, being the record date.

In addition to above, your Directors have recommended a final dividend of ₹ 3/- (Rupees Three only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 2/- (Rupees Two only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2022, subject to the approval of the equity shareholders at the ensuing 30th Annual General Meeting of the Company.

The total dividend payout for FY2021-22 would be ₹ 10/- (Rupees Ten only) per equity share of ₹ 1/- (Rupees One only) each [previous year ₹ 7.50/- (Rupees Seven and Paise Fifty only) per equity share of ₹ 1/- (Rupee One only) 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/>.

TRANSFER TO RESERVES

The Directors do not propose any transfer to reserve.

CHANGES IN CAPITAL STRUCTURE

During the year under review there was no change in the Capital Structure of the Company.

CREDIT RATING

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

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 the notes to the Consolidated Financial Statements, forming part of the Annual Report.

SCHEME OF AMALGAMATION

1. National Company Law Tribunal (NCLT) vide its Order dated August 31, 2021, sanctioned 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") pursuant to Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and the relevant rules and regulations made

thereunder. The Scheme is effective from October 1, 2021 with appointed date as January 1, 2020 and Sun Pharma Global FZE has been merged with the Company.

2. The Board of Directors of the Company at its meeting held on May 30, 2022 has approved the Scheme of Amalgamation of Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited, Skisen Labs Private Limited, Wholly-owned Subsidiaries of the Company with the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, following were the changes in Directors/ Key Managerial Personnel:

1. Dr. Pawan Goenka has been appointed as the Independent Director w.e.f. May 21, 2021 for a period of five years by the shareholders at the 29th Annual General Meeting.
2. Ms. Rama Bijapurkar has been appointed as the Independent Director w.e.f. May 21, 2021 for a period of five years by the shareholders at the 29th Annual General Meeting.
3. Ms. Rekha Sethi retired and ceased to be the Independent Director w.e.f. August 31, 2021 i.e. upon conclusion of the 29th Annual General Meeting.
4. Mr. Vivek Chaand Sehgal resigned as the Independent Director with effect from September 1, 2021.
5. Mr. Sunil Ajmera resigned from the position of Company Secretary and Compliance Officer w.e.f. the close of business hours of January 31, 2022.
6. Mr. Anoop Deshpande has been appointed as Company Secretary and Compliance Officer effective from closure of business hours of January 31, 2022.

After the year end and up to the date of the Report, following were the changes:

1. The Board of Directors at its meeting held on May 30, 2022, on the recommendation by Nomination and Remuneration Committee, has approved the re-appointment and remuneration of Mr. Dilip Shanghvi as Managing Director for further period of five years with effect from i.e. April 1, 2023 to March 31, 2028, subject to approval of the shareholders at the 30th Annual General Meeting.
2. The Board of Directors at its meeting held on May 30, 2022, on the recommendation by Nomination and Remuneration Committee, has approved the re-appointment of Mr. Gautam Doshi as Independent Director for further period of five years with effect from

i.e. May 25, 2023 to May 24, 2028, subject to approval of the shareholders at the 30th Annual General Meeting.

Mr. Sailesh T. Desai and Mr. Israel Makov Directors of the Company, retire by rotation at the 30th Annual General Meeting.

The necessary disclosures required under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, for the above-mentioned appointments/ re-appointment are provided in the 30th Annual General Meeting Notice of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet 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 fulfil the conditions specified under the Act and Listing Regulations and are independent of the management. The Board skill/ expertise/ competencies matrix of all the Directors, including the Independent Directors is provided in the Corporate Governance Report forming part of this Annual Report.

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: <https://sunpharma.com/policies/>.

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

During the year, annual performance evaluation of the Board and Committees of the Board, individual Directors including the Chairman of the Company, was carried out as per the criteria and process approved by Nomination and Remuneration Committee, which is in line with the SEBI Guidance Note on Board Evaluation.

The Chairman and other members of the Board discussed upon the performance evaluation outcome and concluded that they were satisfied with the overall performance of the Board and Committees of the Board and Directors individually. 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 evaluation of the Non-Independent Directors including the Chairman of the Company and performance of the Board as a whole was discussed at the separate meeting of the Independent Directors.

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 and the diversity attributes as per the Board Diversity Policy of the Company. 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.

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/>.

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.

BOARD MEETINGS

The Board of Directors of the Company met 5 (Five) times during the year under review. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report.

COMMITTEES OF THE BOARD

As on March 31, 2022, the Board has 6 (six) Committees. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Corporate Governance & Ethics Committee.

The details pertaining to the meetings and composition of the Committees of the Board are included in the Corporate Governance Report, which forms part of this Report.

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: <https://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 - B' to this Report.

INTERNAL CONTROLS

The Company believes that internal controls are the 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 controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal controls. The management is committed to ensuring an effective internal controls environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations, ensures accuracy of records, promotes operational efficiency, protects resources and assets and overall minimize the risks.

INTERNAL FINANCIAL CONTROLS

The Company has a well-established internal financial controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal financial controls. The management is committed to ensuring an effective internal financial controls environment, commensurate with the size and complexity of the business, which provides an assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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 firms, wherever required, carries out risk-based audits. GIA audits all businesses 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 audit 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.

RISK MANAGEMENT

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various organizational risks. 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 and reports, key risks that impact the Company's ability to meet its strategic objectives.

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 area, risk description, risk rating, root cause and mitigation plans, action items etc. The risk register is refreshed semi-annually. Risks are categorised into various categories viz. Strategic, Financial, Operational, Compliance, Cyber, Geo-Political etc. During FY 21-22, the focus was on reviewing effectiveness of actions taken to mitigate the identified risks as well as to identify the new risks and associated risk-mitigation plans, emerging out of constantly changing geo-political situation across the globe.

Outcome of Enterprise Risk Assessments covering Company's various businesses and functions, are one of the key input for the annual internal audit plan.

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.

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.

In terms of provisions of sections 139 read with the Companies (Audit and Auditors) Rules, 2014. S R B C & Co LLP, Chartered Accountants are eligible to be re-appointed for a further term of 5 (five) years.

The Company has received the consent, certificate of eligibility and a certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder and as required under the Listing Regulations, from S R B C & Co LLP, chartered Accountants.

Accordingly, the Board of Directors at its meeting held on May 30, 2022, based on the recommendation of the Audit Committee have approved and recommended the re-appointment of S R B C & Co LLP, Chartered Accountants, (Firm's Regn. No. 324982E/ E300003), as the Statutory Auditors, for a further period of 5 (five) years i.e. from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company, for approval of the Shareholders of the Company at the ensuing 30th Annual General Meeting.

The Auditor's Report for the financial year ended March 31, 2022, has been issued with an unmodified opinion, by the Statutory Auditors.

Secretarial Auditor

The Board had appointed KJB & Co. LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2022. The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as 'Annexure - C1' to this Report.

The Secretarial Audit Report for the year does not contain any qualification, reservation or adverse remark.

In accordance with the provision 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 are provided as 'Annexure - C2' and 'Annexure - C3' 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 K D & Co, Cost Accountants, (Firm's Registration No. 004076) as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the financial year 2022-23.

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.

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 has 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. 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/>.

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 terms of Section 135 of the Companies Act, 2013 in any subsequent year(s).

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report of the Company for the year ended March 31, 2022, is provided in a separate section and forms part of this Annual Report and is also made available on the website of the Company at <https://sunpharma.com/investors-annual-reports-presentations/>.

HUMAN RESOURCES

FY2021-22 was a very challenging year for everyone. Our 38,000+ strong global workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. As lockdowns continued across the world, our teams being part of essential services, ensured our 43 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.

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, 2022, two complaints pertaining to sexual harassment were received. The complaints were resolved and 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.

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.

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.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review.

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.

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>.

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

Dilip Shanghvi **Sailesh T. Desai**

Place: Mumbai

Managing Director *Whole-time Director*

Date: May 30, 2022

(DIN: 00005588)

(DIN: 00005443)

ANNEXURE - A

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 FY 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 2021-22:

| 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 FY 2021-22 (in percentage) |
|---|--|---|---|
| Directors: | | | |
| Mr. Israel Makov | Non-Executive Chairman | 2.0 | 50.0 |
| Mr. Dilip S. Shanghvi | Managing Director | 84.5 | 9.7 ^(f) |
| Mr. Sailesh T. Desai | Whole-time Director | 30.6 | 8.8 ^(f) |
| Mr. Kalyanasundaram Subramanian | Whole-time Director | 115.5 | 5.5 ^(f) |
| Mr. Sudhir V. Valia | Non-Executive and Non-Independent Director | 2.5 | 15.4 |
| Ms. Rekha Sethi ^(b) | Non-Executive Independent Director | Not Applicable | Not Applicable |
| Mr. Vivek Chaand Sehgal ^(c) | Non-Executive Independent Director | Not Applicable | Not Applicable |
| Mr. Gautam Doshi | Non-Executive Independent Director | 11.72 ^(g) | 204.35 ^(g) |
| Dr. Pawan Goenka | Non-Executive Independent Director | 9.96 ^(g) | NA |
| Ms. Rama Bijapurkar | Non-Executive Independent Director | 8.03 ^(g) | NA |
| Key Managerial Personnel: | | | |
| Mr. C.S.Muralidharan | Chief Financial Officer | Not Applicable | 6.4 |
| Mr. Sunil Ajmera ^(d) | Company Secretary and Compliance Officer | Not Applicable | Not Applicable |
| Mr. Anoop Deshpande ^(e) | Company Secretary and Compliance officer | Not Applicable | Not Applicable |

Notes:

- (a) Remuneration to Independent Directors consists of sitting fees and commission. Remuneration of Non-Executive Director consists only of sitting fees.
- (b) Ms. Rekha Sethi retired and ceased to be the Independent Director w.e.f. August 31, 2021 i.e. upon conclusion of the 29th Annual General Meeting.
- (c) Mr. Vivek Chaand Sehgal resigned as the Independent Director with effect from September 1, 2021.
- (d) Mr. Sunil Ajmera has resigned from the position of the Company Secretary w.e.f close of business hours on January 31, 2022.
- (e) Mr. Anoop Deshpande has been appointed as the Company Secretary and Compliance Officer w.e.f close of business hours on January 31, 2022.
- (f) The remuneration paid/payable includes notional value of car perquisites, hence the percentage of increase for Mr. Dilip Shanghvi, Mr. Sailesh T. Desai and Mr. Kalyanasundaram Subramanian comes to 9.7%, 8.8% and 5.5%, the actual percentage increase in remuneration for Mr. Dilip Shanghvi and Mr. Sailesh T. Desai for FY 2021-22 is 9.15% and for Mr. Kalyanasundaram Subramanian is 6.0%.
- (g) The Board of Directors at its meeting held on May 30, 2022 has approved payment of Commission for financial year 2021-22 of ₹ 40 Lacs each to the Independent Directors - Mr. Gautam Doshi, Dr. Pawan Goenka and Ms. Rama Bijapurkar, subject to approval of the shareholders at the ensuing 30th Annual General Meeting of the Company.

- (ii) The percentage increase in the median remuneration of employees in the FY 2021-22 (Median -2022/Median 2021): 14%
- (iii) The number of permanent employees on the rolls of the Company as on March 31, 2022: 19,021
- (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, 2022 was approximately 10.5% and the average increase in the managerial personnel remuneration was 8.1%.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE - B

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, 2022 if any: |
|---------|---|--|---|--|---|---|
| 1. | Sun Pharma Laboratories Limited (Wholly-Owned Subsidiary) | Purchase and sale of Goods Purchase and Sale of Property, Plant and Equipment Receiving and Rendering of Services Reimbursement of expenses paid and received Loans taken Loans Repaid Interest expense Lease Rent Received Payment towards Lease Liabilities 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 FY22 was ₹ 178,027.6 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 Lease Rent Received | 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 FY22 was ₹ 38,508.6 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 |
| 3. | Sun Pharmaceutical Industries INC (Wholly-Owned Subsidiary) | Revenue From Contracts With Customers, Net Of Returns Reimbursement of Expenses - Paid and Received Rendering Of Service - Income Interest Income Sale of Investment | 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 FY22 was ₹ 54,227.0 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 |
| 4. | Sun Pharma (Netherlands) BV (Wholly-Owned Subsidiary) | Reimbursement of Expenses - Paid Further Investment Sale of Investment Loans given and assigned Loan Repaid Interest Income and Expense | 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 FY22 was ₹ 42,604.5 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

Place: Mumbai
Date: May 30, 2022

Dilip Shanghvi
Managing Director
(DIN: 00005588)

Sailesh T. Desai
Whole-time Director
(DIN: 00005443)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration 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 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, according to the provisions of:

- 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 - **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 (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.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors.
- Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in three instances 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.

- 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.

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: A049008D000430334

Date: May 30, 2022

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: A049008D000430334
Date: May 30, 2022
Place: Vadodara

ANNEXURE – C2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2022.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration 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 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, according to the provisions of:

- 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;
- 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 with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director to the extent applicable during the period under review. 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. 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.

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: A049008D000410413
Date: May 27, 2022
Place: Vadodara.

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

ANNEXURE A

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 Secretaries

Firm Unique Identification No.- L2020MH006600

Peer Review Certificate No.- 934/2020

Alpeshkumar Panchal

Partner

ACS No. - 49008

C. P. No. - 20120

UDIN: A049008D000410413

Date: May 27, 2022

Place: Vadodara.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- | | |
|--|--|
| <ul style="list-style-type: none"> (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. | <ul style="list-style-type: none"> (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992: - <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto from time to time ("LODR Regulations") - 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;
- (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 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 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- b) Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. 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.

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)

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: A049008D000409489
Date: May 27, 2022
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 Secretaries
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal

Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008D000409489
Date: May 27, 2022
Place: Vadodara.

ANNEXURE - D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY2021-22

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company's CSR policy encompasses the company's philosophy towards corporate social responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The Company, through its CSR activities, strives to create maximum impact by leveraging its financial and human resources, networks and expertise. The CSR Policy and programs focus on the areas covered under Schedule VII of the Companies Act, 2013.

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. Rama Bijapurkar [#] | Member | Independent Director | 2 | 2 |
| 4. | Ms. Rekha Sethi [*] | Member | Independent Director | 1 | 1 |

[#] Appointed as member with effect from May 27, 2021.

^{*} Ceased to be a member with effect from August 31, 2021.

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 approved by te Board | https://sunpharma.com/csr/ |

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 completed during FY22

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 | 2018-19 | - | - |
| 2 | 2019-20 | - | - |
| 3 | 2020-21 | ₹ 139.69 Million | ₹ 118.77 Million |
| TOTAL | | ₹ 139.69 Million | ₹ 118.77 Million |

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5). – ₹ 15,868.58 Million

7.

| | | |
|-----|---|------------------|
| (a) | Two percent of average net profit of the company as per section 135(5). | ₹ 317.37 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. | ₹ 118.77 Million |
| (d) | Total CSR obligation for the financial year (7a+7b-7c). | ₹ 198.60 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 |
| ₹ 198.60 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 | | 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 |
| | | | | State | District | | | | | | Name CSR 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. | 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 - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1. | Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai | Healthcare | Yes | Maharashtra | Mumbai | 100.00 | No | Shantilal Shanghvi Foundation | CSR00002593 |
| 2. | Infrastructural Development for Pharma Research Laboratory | Healthcare | No | Pan India | Baramati, Dist.-Pune | 25.00 | No | Agricultural Development Trust | CSR00001043 |
| 3. | Mobile Healthcare Unit | Healthcare | Yes | Maharashtra, Gujarat, Punjab, Tamil Nadu | Ahmednagar, Halol, Mohali, Toansa, Paonta Sahib, Dewas, Panoli, Ankleshwar, Karkhadi, Malanpur and Maduranthakam | 26.17 | No | Sun Pharma Community Healthcare Society | CSR00003635 |
| 4. | Grants for Covid-19 | Disaster Response | No | Haryana | Panchkula | 2.50 | No | Sun Pharma Community Healthcare Society | CSR00003635 |
| 5. | Healthcare Awareness Programme | Healthcare | Yes | Maharashtra | Mumbai | 0.60 | No | The Bandra Holy Family Hospital Society | CSR00001516 |
| 6. | School Development Project | Education | Yes | Gujarat | Panchmahal, Bharuch | 0.62 | No | Vadodara Education Trust | CSR00001522 |
| 7. | Model School Development | Education | Yes | Gujarat | Bharuch | 0.74 | No | Gram Vikas Trust | CSR00000175 |
| 8. | Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement | Education | Yes | Delhi | Delhi | 1.50 | No | Sun Pharma Science Foundation | CSR00004251 |
| 9. | Setting-up of Digital Classroom Project | Education | Yes | Gujarat | Ankleshwar, Halol and Karkhadi | 1.00 | No | Vadodara Education Trust | CSR00001522 |
| 10. | Smart Classroom Project | Rural Development | Yes | Gujarat | Bharuch | 0.46 | No | Gram Vikas Trust | CSR00000175 |
| 11. | Rural Development Project | Rural Development | Yes | Gujarat, Dadra & Nagar Haveli, | Bharuch, Dadra & Nagar Haveli, | 0.95 | No | United Way of Baroda | CSR00002187 |
| 12. | Provision of Health Equipment | Disaster Response | Yes | Gujarat | Panchmahal | 0.50 | No | Shri Narayan Arogyadham Annapurna Trust | CSR00002248 |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------------|---|---|---------------------|---|---|---|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (₹ in Million) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 13. | Provision of Medicine | Disaster Response | Yes | Dadra and Nagar Haveli | Dadra and Nagar Haveli | 0.16 | No | Rogi Kalyan Samiti | CSR00004127 |
| 14. | Community Drinking Water Project | Water | Yes | Gujarat | Bharuch | 0.65 | No | Gram Vikas Trust | CSR00000175 |
| 15. | Solar Rooftop System | Environment | Yes | Gujarat | Halol | 0.24 | Yes | - | - |
| 16. | Drinking Water | Water | Yes | Gujarat, Punjab, Tamil Nadu | Madurantakam, Toansa and Panoli | 0.36 | Yes | - | - |
| 17. | Water Conservation | Water | Yes | Gujarat | Halol | 0.31 | Yes | - | - |
| 18. | Installation of Solar Street Lights | Rural Development | Yes | Maharashtra | Ahmednagar | 0.20 | Yes | - | - |
| 19. | Rural Infrastructure Development Projects | Rural Development | Yes | Gujarat, Maharashtra, Tamil Nadu, UT of Dadra & Nagar Haveli | Halol, Panoli, Ahmednagar, Madurantakam, Ankleshwar, Dahej and Silvassa | 0.86 | Yes | - | - |
| 20. | Tree Plantation | Environment | Yes | Gujarat, Maharashtra, Himachal Pradesh | Ahmednagar, Panoli, Paonta, Halol and Vadodara | 0.76 | Yes | - | - |
| 21. | Provision of Covid-19 Relief Material & Awareness | Disaster Response | No | Pan India | Pan India | 19.81 | Yes | - | - |
| 22. | Healthcare Infrastructure Support & Awareness | Healthcare | Yes | Goa, Maharashtra, Gujarat, Madhya Pradesh, Punjab, Tamil Nadu | Goa, Ahmednagar, Halol, Baroda, Dewas, Toansa and Madurantakam | 0.69 | Yes | - | - |
| 23. | Anganwadi Infrastructural Development | Education | Yes | Gujarat, Dadra & Nagar Haveli, Madhya Pradesh | Vadodara, Dewas and Silvassa | 2.44 | Yes | - | - |
| 24. | School Infrastructure Development Project | Education | Yes | Gujarat, Tamil Nadu, UT of Dadra and Nagar Haveli | Halol, Panoli, Vadodara, Maduranthakam, Malanpur, Toansa, Silvassa, Ahmednagar and Karkhadi | 4.12 | Yes | - | - |
| Total | | | | | | 190.63 | | | |

- (d) Amount spent in Administrative Overheads - ₹ 7.97 Million
- (e) Amount spent on Impact Assessment, if applicable – Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 198.60 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) | 317.37 |
| (ii) | Total amount spent for the Financial Year | 317.37 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

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 (in ₹) |
|--------------|--------------------------|---|---|---|---------------|------------------|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1. | 2018-19 | N.A. | 39.362 | N.A. | N.A. | N.A. | N.A. |
| 2. | 2019-20 | N.A. | 43.708 | N.A. | N.A. | N.A. | N.A. |
| 3. | 2020-21 | Nil | 269.504 | N.A. | N.A. | N.A. | N.A. |
| TOTAL | | | 352.574 | - | - | - | - |

(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 roject (in ₹) | 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 |
| TOTAL | | | | | 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.

| Particulars of the Project(s) | Support towards setting-up of Sanatorium Institute, Wadala, Mumbai (Status: Work In Progress) | Infrastructural Development for Pharma Research Laboratory | Setting-up of Digital Classroom Project | Setting-up of Digital Classroom Project, Karkhadi Ankleswar Halol | Setting-up of Digital Classroom Project, Karkhadi Ankleswar Halol | Mobile Healthcare Unit | School Infrastructure Development Project | Smart Classroom Project | Community Drinking Water Project | Solar Rooftop System | Provision of Covid-19 Relief Material & Awareness | | | | | |
|---|---|---|--|--|--|--|--|--|---|---|--|---|---|--|--|---|
| (a) Date of creation or acquisition of the capital asset(s) * of CSR spent for creation or acquisition of capital asset (₹ in Million) | Not ascertainable | 18-Jun-2021 | 23-Nov-2021 | 29-Nov-2021 | 10-Jan-2022 | 5-July-2021 17-Dec-2021 16-Mar-2022 | 25-Mar-2022 | 07-Jan-2022 | 03-Sep-2021 | 07-Mar-2022 | 29-Mar-2022 | 03-Jun-2021 | 03-Jun-2021 | 03-Jun-2021 | | |
| | 100.00 | 25.00 | 0.33 | 0.33 | 0.33 | 1.97 (Breakup: Panoli -0.011 Paonta -0.029 Karkhadi - 1.931) | 0.31 | 0.45 | 0.26 | 0.12 | 0.12 | 1.90 | 1.81 | 2.33 | 2.03 | 2.30 |
| (b) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Shantil Shangvi Foundation | Agriculture Development Trust, Baramati, Dist.-Pune, Maharashtra | Govt. Primary School, Gam Tadav, Taluk, Village, Halol, Gujarat | Govt. Primary School, Gam Tadav, Taluk, Village, Halol, Gujarat | Govt. Primary School, Jepura, Village, Halol, Gujarat | Sun Pharma Community Healthcare Society | Government Primary School, Bakrol | Govt. Primary School, Surwadi, Taluka-Ankleswar, District -Bharuch, Gujarat | Gram Panchayat, Sanjali, District -Bharuch, Gujarat | Shri Narayan High School, Tarkhanda, Halol, Gujarat | The Secondary School, Jambughoda, District - Panchmahal, Gujarat | Government Ayurveda Hospital, Rajpipla, Gujarat | GS Gune Ayurved College, Ahmednagar, Maharashtra | Jaya Arogya Hospital, Gwalior, Madhya Pradesh | Government Hospital of Tambaram, Chennai, Tamil Nadu | Government Civil Hospital of SBS Nagar, Toansa, Punjab |
| (c) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) | Construction of Hospital Building, Wadala, Mumbai, Maharashtra | Construction of R & D building and labs such as Analytical Lab "AAS section", Quality Control Lab Section, F & D Lab Section, Disease Diagnosis Section, Provision of LCMIS Equipment at Agriculture Development Trust, Baramati, Dist.-Pune, Maharashtra | Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. at Govt. Primary School, Intwadi, Halol, Gujarat | Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. at Govt. Primary School, Intwadi, Halol, Gujarat | Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. at Govt. Primary School, Intwadi, Halol, Gujarat | Almirah Sun Pharma Community Healthcare society, Panoli, Gujarat Lenovo Tab M8 (ZA6L0002IN) Sun Pharma Healthcare society, Paonta, Sahib- Himachal Pradesh Traveller T1 Ambulance-Reg No-GJ06BT9156 Sun Pharma Community Healthcare society, Karkhadi, Gujarat | Classroom Benches Government Primary School, Bakrol Village, Taluka-Ankleswar, District -Bharuch, Gujarat | Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. at Govt. Primary School, Surwadi, Taluka-Ankleswar, District -Bharuch, Gujarat | Construction of Over Head Water Tank at Sanjali Village, Gram Panchayat, Sanjali, Taluka - Ankleswar, District - Bharuch, Gujarat | Construction of Mini Water Works in Gram Panchayat, Bhandi, Taluka - Ankleswar, District - Bharuch, Gujarat | Solar Power Plant 3.15 KW at Shri Narayan High School, Tarkhanda, Halol, Gujarat | Solar Power Plant 3.15 KW at The Secondary School, Jambughoda, District - Panchmahal, Gujarat | Oxygen Plant of 167 Lit./Min capacity at GS Gune Ayurved College, Ahmednagar, Maharashtra | Oxygen Plant of 417 Lit./Min capacity at Jaya Arogya Hospital, Gwalior, Madhya Pradesh | Oxygen Plant of 83 Lit./Min capacity at Government Hospital of Tambaram, Chennai, Tamil Nadu | Oxygen Plant of 167 Lit./Min capacity at Government Civil Hospital of SBS Nagar, Toansa, Punjab |

Note: The date when creation of asset is recognised/ acknowledged by the Company based on inputs from the Implementing Agency

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

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Dilip S. Shanghvi

*Chairman – CSR Committee
and Managing Director*

(DIN -00005588)

Sudhir V. Valia

*Member - CSR Committee
and Director*

(DIN: 00005561)

Date: May 30, 2022

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Sun Pharma is committed to making a positive impact on communities, environment and other key stakeholders in line with Vision statement **“Reaching People. Touching Lives.”** Sun Pharma has been serving the society to meet the needs of its stakeholders and business operations in the most suitable way. Our CSR activities are conducted across various sectors that are in line with Schedule VII of the Act. Sun Pharma has recognized few key areas like education, health, sanitation, drinking water and environment sustainability programme for improving the quality of life of our communities.

The focus areas of the Company’s CSR activities are listed hereunder but not limited to:

- A. Health
- B. Education
- C. Drinking water & Sanitation
- D. Environmental Sustainability
- E. Rural Development
- F. Disaster relief & Response to COVID-19 Pandemic.

In FY 2021-22, the company has spent ₹ 317.37 million towards implementation of CSR projects.

1) SUPPORT TOWARDS SETTING-UP OF CANCER SANATORIUM INSTITUTE AT 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 ₹ 100.00 Million during FY2021-22 and the project has been implemented by Shantilal Shanghvi Foundation.

2) INFRASTRUCTURAL DEVELOPMENT FOR PHARMA RESEARCH LABORATORY

The project has been undertaken to set-up laboratory at Agriculture Development Institute, Baramati, Maharashtra for carrying-out scientific, dairy and agricultural research. This developed scientific lab will provide a platform for Students and young scientist as well as teachers to carry out research on the innovative concept in the field of agriculture, healthcare and pharma technology, manufacturing and industry and other areas of social and national importance. The company has contributed ₹ 25.00 Million during FY2021-22 and the project has been implemented by Agriculture Development Trust, Baramati.

3) MOBILE HEALTHCARE UNIT

At present 11 Mobile Healthcare Units (MHUs) are operational across the India. These Vans are operational at Ahmednagar, Halol, Mohali, Toansa,

Paonta Sahib, Dewas, Panoli, Ankleshwar, Karkhadi, Malanpur and Maduranthakam. Through MHUs services we are covering more than 4,12,600 populations of 11 districts from 5 states and provided 1.77 lakh treatments last year. All vans are operational in peripheral areas of Sun Pharma Plant locations under banner of Sun Pharma Community Healthcare Society to provide health promotive, preventive and curative services with a focus on Reproductive Child Health, through team comprising an MBBS doctor & two trained ANMs. Services are provided through MHU which includes free consultation of MBBS doctor, Basic diagnostics, free treatment, free medicine, home visits by doctor for bedridden patients those are unable to reach to MHU. We also organize awareness camps, meetings and group discussions with IEC Materials to raise awareness in community on health related issues, Hygiene and Sanitation Awareness Programs. The Project has provided Curative Treatment to 1,53,873 patients and Preventive & Promotive Healthcare to 24,064 people during FY2021-22. The company has Contributed ₹ 26.17 Million during FY2021-22.

4) HEALTHCARE INFRASTRUCTURE DEVELOPMENT & AWARENESS

Healthcare is main focus area of Sun Pharma and every year providing support to PHC’s & CHC’s for development of healthcare infrastructure aiming to provide better healthcare services to nearby community. We organized blood donation camp and health awareness activities in nearby community for betterment of society. In FY2021-22 company has contributed ₹ 1.28 Million for this project and organized activities at Goa, Ahmednagar, Halol, Baroda, Dewas, Toansa and Madurantakam which has benefitted to community.

5) ANGANBARI INFRASTRUCTURAL DEVELOPMENT

The project has been providing 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 of Vadodara, Dewas and Silvassa. The company has contributed ₹ 2.44 Million during the financial year 2021-22, with benefit being extended to 2182 toddlers.

6) SCHOOL INFRASTRUCTURE DEVELOPMENT PROJECT

To enhance the quality of education in schools we have upgraded the infrastructural facilities in surrounding schools of Halol, Panoli, Maduranthakam, Vadodara, Malanpur, Toansa, Silvassa, Ahmednagar and Karkhadi. Infrastructure such as construction of classrooms, drinking water, sanitation facilities, sports equipment facilities and school furniture were taken up. This project has benefitted 17,203 Students with an investment of ₹ 5.82 million.

7) PROMOTION OF SCIENTIFIC MEDICAL & PHARMA RESEARCH OUTCOMES FOR PUBLIC HEALTH IMPROVEMENT

The project has been undertaken with aim to sharing medical and pharma research for public benefit and awareness after carrying-out scientific and health research for Improvement of public health. This helped young scientist and scholars in the field of medical and pharma aimed at improvement of public health. The company has contributed ₹ 1.50 Million during FY2021-22 and the project has been implemented by Sun Pharma Science Foundation.

8) SETTING-UP OF DIGITAL CLASSROOM PROJECT

In order to enhance the quality of education in Govt. schools through digital mode, company has setup digital class rooms at schools located at Ankleswar, Halol and Karkhadi. This project has benefitted to 1094 Students with an investment of ₹ 1.45 million in FY2021-22.

9) INSTALLATION OF SOLAR STREET LIGHTS

Solar street lights are the best ways to light the streets in rural unserved areas to provide community lighting. Solar energy is the cleanest and most abundant renewable energy source available and it is increasing in popularity because it is versatile with many benefits to people and the environment. Company has installed solar street lights under CSR initiative in vicinity of our plants. Solar street lights were installed at Vilad village in Ahmednagar District to provide community lighting in unserved areas and benefited rural communities. The company has Contributed ₹ 0.20 Million for this activity during the financial year 2021 - 22.

10) RURAL INFRASTRUCTURE DEVELOPMENT PROJECTS

With aim to uplift rural communities by upgrading much needed rural infrastructure facilities. Sun Pharma helped rural communities by developing basic infrastructure facilities. This project has benefitted the communities at large through various activities such as Installation of Solar street lights, renovation of Anganwadi center and community centers. The company has contributed ₹ 1.81 Million in the project during the financial year 2021-22, with benefit being extended to communities.

11) TREE PLANTATION

Tree plantation is a regular activity at Sun Pharma in and around its operation sites. We have not only planted trees but also ensured their survival by erecting tree guards and carefully nurtures them till the sapling matures into a tree. The Company has planted saplings under CSR activity and maintained greenery in and around the plant premises. The company has

contributed ₹ 0.76 million during the financial year 2021-22 for this project which is been benefitting to nearby community.

12) SOLAR ROOFTOP SYSTEM

Sun Pharma is providing facilities in Government schools with consistent access to electricity for an uninterrupted learning and teaching experience. We have installed rooftop solar systems in two government schools till date. In the FY 2021-22 we have installed 3Kwph rooftop solar system in Halol area. The company has Contributed ₹ 0.24 Million for this activity during the FY 2021-22.

13) DRINKING WATER

The project aims to provide access to safe and potable water to community, Sun Pharma has rejuvenated community drinking water storage tanks at Madurantakam, Toansa and Panoli with provision of piped water connection to individual households for potable water supply for community. Company has constructed water storage tank with maintenance of tube well and made an arrangement of piped water for individual households for supply of safe and potable drinking water to community of Toansa (Punjab). Company has constructed 10 KL water storage tank at Vilad village and 20 KL water storage tank at Karjune khare village in Ahmednagar, Maharashtra to make safe and potable drinking water available to all. This project benefitted to 285 households with an investment of ₹ 1.02 Million during the FY 2021-22.

14) WATER CONSERVATION

Rainwater harvesting system was installed in a Govt. School at Halol to collect, store and consume rainwater for landscape irrigation and other uses of schools. During FY 2021-22, as a pilot project we introduced rain water harvesting structure with aim to save water from going down to the drains and store it to utilize for sanitation facilities as well as gardening and watering trees in schools. The company has contributed ₹ 0.31 million for this project which has been benefitting to nearby community.

15) PROVISION OF COVID-19 RELIEF MATERIALS & AWARENESS

Sun Pharma has supported local administration and communities to combat prevention of COVID-19. Various activities were taken up such as medicines, PPEs, sanitizers, beds, ventilators, oxygen concentrators and essential medicines to covid care centres and Government facilities including setting-up of five Oxygen Plants in different Govt. Hospitals to combat the second wave of COVID-19 in FY2021-22, Sun Pharma has spent the sum of ₹ 22.97 Million on COVID-19 activities.

ANNEXURE – E

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

A. CONSERVATION OF ENERGY

The company is fully committed for energy conservation in its various operations and has a dedicated energy management team for constant monitoring and analysing energy consumption. Various projects are taken year on year to reduce energy consumption and improve energy efficiency.

The dedicated energy management team is working with systematic approach towards energy conservation. The Halol, Dadra, Dewas and Mohali sites of the Company are ISO 50001:2008 (Energy Management System) Certified.

1. Steps taken or impact on Conservation of Energy

- Reduced power consumption in compressed air system with the introduction of Intelligent flow controller.
- Improved pumping efficiency at various location by installation of energy efficient pumping system
- Replacement of old inefficient brine compressor with energy efficiency compressor and improved Chiller performance (ikw/TR).
- Use of dry vacuum pump in place of steam ejectors.
- Steam consumption at MEE reduced by utilizing waste heat for preheating MEE feed.
- Minimization of steam distribution losses through steam trap optimization.
- Reduced pumping power in chilled water system by installation of Closed loop pumping system.
- Synchronization of DG to reduce diesel consumption.
- Utilization of flash steam for hot water generation.
- Utilization of VFD in compressed air system.
- Energy efficient Axial pump installed in MEE to reduce power consumption.
- Reduced power consumption in refrigeration system with the use of automatic tube cleaning system.
- Improved efficiency in plant lighting.

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

Company has taken various initiative for utilization of alternate source of energy. Majority of site like Ahmednagar, Baddi, Dadra, Dahej, Dewas, Kharkhadi, Malanpur, Mohali, Poanta shahib, Panoli, Silvasa, Toansa are mostly utilizing sustainable green fuel biomass as boiler fuel for steam generation.

Captive solar powerplant at Dewas helps us to substitute major part of electricity consumed for site operation to renewable energy.

MKM site is using wind power for its partial power requirement.

Guwahati, Gurgaon R&D, Dadra, Ahmednagar, Panoli and Silvasa sites are using solar rooftop for its partial power requirement.

3. Capital investment on energy conservation equipments

Capital investment of ₹ 219.8 Million has been made on energy conservation Equipment.

B. TECHNOLOGY ABSORPTION**(A) Research and Development**

Expenditure on R&D –

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Capital | 787.0 | 383.8 |
| Revenue | 15,529.7 | 14,519.4 |
| Total | 16,316.7 | 14,903.2 |
| Total R&D expenditure as % of Total Turnover | 10.51% | 10.65% |

(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 crystallization 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 optimization 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 FY22, 42 formulations were developed and filed from our R&D locations for the Indian and regulated markets and 153 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, 2022 | Year ended March 31, 2021 |
| Earnings | 106,330.5 | 97,936.1 |
| Outgo | 71,874.3 | 50,755.6 |

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 has appointed Dr. Pawan Goenka, Independent Director of the Company as the Lead Independent Director.
 - 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 policy on Global Code of Conduct 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 and affiliates).
 - 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 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 more than legally required.
 - The Company initiated payment of unpaid dividend of past seven years of those shareholders whose recent dividend was electronically credited and their updated Bank details were available based on updated KYC. This activity facilitated reduction in the amount of unpaid dividend as well as the corresponding shares, as applicable, to be transferred to IEPF.

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, 2022.

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 eight 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 Director | 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 Director | 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) | - |
| Non-Executive Independent Directors | Mr. Gautam Doshi | - |
| | Ms. Rama Bijapurkar (Appointed with effect from May 21, 2021) | - |
| | Dr. Pawan Goenka (Appointed with effect from May 21, 2021) | - |

Ms. Rekha Sethi, retired as director of the Company with effect from August 31, 2021.

Mr. Vivek Chaand Sehgal, resigned as a director with effect from September 1, 2021.

Number of Board meetings held during the year ended March 31, 2022 and the dates on which held:

Five Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2022 are as follows:

May 27, 2021; July 30, 2021; November 2, 2021; January 31, 2022 and March 21, 2022.

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, 2022 | | | No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2022 ¹ | | |
|--------------------------------------|--|-----------------------------------|----------------------------------|--|------------------------------------|--------------------------------------|
| | Number of Board Meetings Entitled to attend | Number of Board Meetings attended | Last AGM held on August 31, 2021 | Other Directorships | Committee Memberships ² | Committee Chairmanships ² |
| Mr. Israel Makov | 5 | 5 | Yes | - | - | - |
| Mr. Dilip S. Shanghvi | 5 | 5 | Yes | 1 | - | - |
| Mr. Sudhir V. Valia | 5 | 5 | Yes | 4 | 3 | 1 |
| Mr. Sailesh T. Desai | 5 | 5 | Yes | 3 | - | - |
| Mr. Kalyanasundaram Subramanian | 5 | 5 | Yes | 2 | - | - |
| Ms. Rekha Sethi ³ | 2 | 2 | Yes | NA | NA | NA |
| Mr. Vivek Chaand Sehgal ⁴ | 2 | 2 | Yes | NA | NA | NA |
| Mr. Gautam Doshi | 5 | 5 | Yes | 4 | 3 | 1 |
| Ms. Rama Bijapurkar | 5 | 5 | Yes | 7 | 3 | 3 |
| Dr. Pawan Goenka | 5 | 5 | Yes | 2 | 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.

³ Ms. Rekha Sethi, retired as director of the Company with effect from August 31, 2021.

⁴ Mr. Vivek Chaand Sehgal, resigned as a director with effect from September 1, 2021.

Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on March 31, 2022:

| 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 | Non-Executive Chairman |
| Mr. Sudhir V. Valia | Sun Pharma Advanced Research Company Ltd | Non-Executive and Non-Independent Director |
| Mr. Gautam Doshi | Suzlon Energy Limited | Non-Executive and Independent |
| Dr. Pawan Goenka | Bosch Limited | Non-Executive and Independent |
| Ms. Rama Bijapurkar | Nestle India Limited | Non-Executive and Independent |
| | Cummins India Limited | Non-Executive and Independent |
| | VST Industries Limited | Non-Executive and Independent |
| | Mahindra and Mahindra Financial Services Limited | Non-Executive and Independent |
| | Apollo Hospitals Enterprise 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 | Name of Director | | | | | | | |
|--|------------------|----------------|---------------|-----------------------------|--------------|--------------|--------------|-----------------|
| | Israel Makov | Dilip Shanghvi | Sailesh Desai | Kalyanasundaram Subramanian | Sudhir Valia | Gautam Doshi | Pawan Goenka | Rama Bijapurkar |
| Knowledge | | | | | | | | |
| Specialisation / Expertise in one or more fields | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| • In the field of: | | | | | | | | |
| Finance & Accounts | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Legal | Yes | | | | Yes | Yes | | |
| Governance | 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 |
| General Management | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

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 three Directors which include two Non-executive and Independent Directors viz. 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. Ms. Rekha Sethi, Independent Director who was a member of the Committee ceased to be a Director and member of the committee effective from August 31, 2021. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Mr. Sunil Ajmera ceased to be the Secretary of the Audit Committee on him ceasing to be the Company Secretary of the Company effective from January 31, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Audit Committee effective from January 31, 2022.

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 on 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 based on the threshold limits specified as per the Listing Regulations.

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.

Seven Audit Committee Meetings were held during the year ended March 31, 2022. The dates on which the Meetings were held are as follows:

May 26, 2021¹; June 25, 2021; July 29, 2021²; October 29, 2021³; December 22, 2021; January 29, 2022⁴ and March 21, 2022.

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 | 7 | 7 |
| Ms. Rekha Sethi ⁵ | 3 | 3 |
| Mr. Sailesh T. Desai | 7 | 7 |
| Dr. Pawan Goenka ⁶ | 6 | 6 |

¹The Audit Committee meeting held on May 26, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on May 27, 2021, and the adjourned meeting was attended by all members.

²The Audit Committee meeting held on July 29, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on July 30, 2021, and the adjourned meeting was attended by all members.

³The Audit Committee meeting held on October 29, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on November 2, 2021, and the adjourned meeting was attended by all members.

⁴The Audit Committee meeting held on January 29, 2022 was adjourned for consideration of few agenda items and the adjourned meeting was held on January 31, 2022, and the adjourned meeting was attended by all members.

⁵Ms. Rekha Sethi retired as a Director and member of the Committee effective from August 31, 2021

⁶Dr. Pawan Goenka was appointed as the member of the Committee effective from May 27, 2021

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of three Non-Executive Directors viz.

Dr. Pawan Goenka, Israel Makov and Mr. Gautam Doshi.

Dr. Pawan Goenka is the Chairman of the Committee.

Ms. Rekha Sethi ceased to be a Director and Chairperson of the Committee effective from August 31, 2021.

Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021 and Chairman with effect from September 1, 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 was the Secretary of the Committee upto January 31, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Committee effective from January 31, 2022.

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 qualification, experience, knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, and judgment, etc.

The Independent Directors are 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 includes evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

Seven meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2022. The dates on which the meetings were held are as follows:

May 19, 2021; May 24, 2021; June 25, 2021; July 27, 2021; October 29, 2021 January 29, 2022; and March 21, 2022.

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 |
| Dr. Pawan Goenka** | 5 | 5 |
| Mr. Israel Makov | 7 | 7 |
| Mr. Gautam Doshi | 7 | 7 |

* Ms. Rekha Sethi retired as a Director and Chairperson of the Committee effective from August 31, 2021.

** Dr. Pawan Goenka was appointed as the member of the Committee effective from May 27, 2021 and Chairperson of the Committee effective from September 1, 2021.

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.

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. With effect from FY 2021-22, the sitting fees for the meetings of Corporate Governance and Ethics Committee has also been increased to ₹ 1,00,000/- per meeting.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2022 are given below: -

| Directors | For the year ended March 31, 2022 | | | | | |
|--|-----------------------------------|-----------|-------------------------------------|--------------|-------------------------------------|------------|
| | Salary ¹ | Bonus | Perquisites / Benefits ² | Sitting Fees | Commission to Independent Directors | Total |
| Mr. Dilip S. Shanghvi | 37,799,496 | 7,559,899 | 5,151,800 | - | - | 50,511,195 |
| Mr. Sudhir V. Valia | - | - | - | 1,500,000 | - | 1,500,000 |
| Mr. Sailesh T. Desai | 13,271,100 | 2,654,220 | 2,377,802 | - | - | 18,303,122 |
| Mr. Kalyanasundaram Subramanian ¹ | 61,915,691 | 4,328,150 | 2,756,494 | - | - | 69,000,335 |
| Mr. Israel Makov | - | - | - | 1,200,000 | - | 1,200,000 |
| Ms. Rekha Sethi ³ | - | - | - | 1,100,000 | - | 1,100,000 |
| Mr. Vivek Chaand Sehgal ⁴ | - | - | - | 200,000 | - | 200,000 |
| Mr. Gautam Doshi | - | - | - | 3,000,000 | 4,000,000 ⁵ | 7,000,000 |
| Dr. Pawan Goenka | - | - | - | 1,950,000 | 4,000,000 ⁵ | 5,950,000 |
| Ms. Rama Bijapurkar | - | - | - | 800,000 | 4,000,000 ⁵ | 4,800,000 |

(Amount in ₹)

¹ Salary includes Special Allowance. Salary of Mr. Kalyanasundaram Subramanian also includes variable pay of ₹ 7,773,453/-.

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.

³ Ms. Rekha Sethi ceased to be a Director of the Company effective from August 31, 2021

⁴ Mr. Vivek Chaand Sehgal, ceased to be a Director with effect from September 1, 2021.

⁵ The Board of Directors at its meeting held on May 30, 2022 has approved Commission of ₹ 4,000,000 (Rupees Forty Lakhs) to be paid to each Independent Director of the Company, for the FY 2021-22, subject to the approval of the members at the ensuing 30th Annual General Meeting and the payment shall be made after obtaining approval of the members.

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:-

- a) The Agreement with Mr. Dilip S. Shanghvi, Managing Director for his present term is for a period of 5 years from April 1, 2018 to March 31, 2023 and remuneration for 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 Nomination and Remuneration Committee and the Board of Directors have approved the re-appointment and maximum limit of remuneration of Mr. Dilip S. Shanghvi, Managing Director for a further period of five years with effect from April 1, 2023 to March 31, 2028 subject to approval of the members at the 30th AGM.
- b) The Agreement with Mr. Sailesh T. Desai, Whole-time Director for his present term is for a period of 5 years from April 1, 2019 to March 31, 2024 and remuneration for period of 2 years from April 1, 2022 to March 31, 2024. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.
- c) The agreement for appointment of Mr. Kalyansundaram Subramanian, Whole-time Director, is for a period of 2 years with effect February 14, 2021 to February 13, 2023, including for payment of remuneration. 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).

The details of Equity Shares held by Non-Executive Directors as on March 31, 2022 are as follows:

| Director | No. of Equity Shares held (held singly or jointly as first holder) |
|---------------------|--|
| Mr. Israel Makov | Nil |
| Mr. Gautam Doshi | 8,000 |
| Mr. Sudhir Valia | 14,345,019 |
| Ms. Rama Bijapurkar | Nil |
| Dr. Pawan Goenka | Nil |

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee as on March 31, 2022 comprised 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. Further Dr. Pawan Goenka, Independent Director has been appointed as the member of the Committee effective from May 27, 2022.

Mr. Sunil R. Ajmera was the Secretary of the Committee upto January 31, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Committee effective from January 31, 2022.

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, Mr. Anoop Deshpande, Company Secretary as Compliance Officer 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, 2022. The dates on which Meetings were held are as follows:

May 26, 2021; July 29, 2021; October 29, 2021 and January 29, 2022.

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 | 4 |
| 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 3. 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 as on 31st March, 2022 comprised of three Directors viz. Mr. Sudhir V. Valia, 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 was the Secretary of the Committee upto 31st January, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Committee effective from 31st January, 2022. Ms. Rama Bijapurkar has been appointed as the member of the Committee with effect from May 27, 2021. Ms. Rekha Sethi ceased to be a Director and member of the committee effective from August 31, 2021.

Further Dr. Pawan Goenka, Independent Director has been appointed as the member of the CSR Committee effective from May 27, 2022.

The terms of reference of the CSR Committee 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 utilization of funds and implementation schedules for the projects or programs; to monitor and review the utilization 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 utilization 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, 2022, three meetings of Corporate Social Responsibility Committee were held on May 26, 2021, November 1, 2021 and January 29, 2022. 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 * | 1 | 1 |
| Ms. Rama Bijapurkar** | 2 | 2 |

* Ms. Rekha Sethi ceased to be a Director and member of the Committee effective from August 31, 2021

** Ms. Rama Bijapurkar was appointed as the member of the Committee effective from May 27, 2021

9. RISK MANAGEMENT COMMITTEE

The Risk Management Committee as on March 31, 2022 comprised of Mr. Dilip S. Shanghvi, Managing Director of the Company, Mr. Gautam Doshi, Mr. Sudhir V. Valia, Director 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. Further Dr. Pawan Goenka, Independent Director has been appointed as the member of the CSR Committee effective from May 27, 2022. Mr. Sunil R. Ajmera was the Secretary of the Committee upto January 31, 2022 and Mr. Anoop Deshpande, the

Company Secretary of the Company is the Secretary of the Committee effective from January 31, 2022. The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations.

The terms of reference of the Risk Management Committee 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, 2022, three meetings of Risk Management Committee were held on May 25, 2021, November 01, 2021 and March 21, 2022.

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 Corporate Social Responsibility Committee meetings attended |
|-----------------------|---|---|
| Mr. Dilip S. Shanghvi | 3 | 3 |
| Mr. Sudhir V. Valia | 3 | 3 |
| Mr. Gautam Doshi | 3 | 3 |
| Mr. C S Muralidharan | 3 | 3 |

10. CORPORATE GOVERNANCE AND ETHICS COMMITTEE

The Corporate Governance and Ethics Committee comprises of Mr. Gautam Doshi, Director, Dr. Pawan Goenka, Director, 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. Ms. Rekha Sethi ceased to be a Director

and member of the Committee effective from August 31, 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, 2022. The dates on which the Meetings were held are as follows: May 26, 2021; July 29, 2021; October 29, 2021; December 22, 2021; January 29, 2022 and March 21, 2022

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* | 2 | 2 |
| Dr. Pawan Goenka** | 5 | 5 |
| Mr. C S Muralidharan | 6 | 6 |
| Mr. Ashok Bhuta | 6 | 6 |

* Ms. Rekha Sethi ceased to be a Director and member of the Committee effective from August 31, 2021

** Dr. Pawan Goenka was appointed as the member of the Committee effective from May 27, 2021

11. SUBSIDIARY COMPANIES

In accordance with Regulation 16 of the Listing Regulations during the year ended March 31, 2022, Sun Pharmaceutical Industries, Inc, Taro Pharma Canada and Sun Pharma Holdings, were material 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 and Sun Pharma Distributors Limited were material 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. Rama Bijapurkar, 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 Laboratories Limited, Sun Pharma Holdings, Taro Pharma USA and Sun Pharmaceutical Industries, Inc.

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 |
|-----------|---------------------|--|-----------------|-----------|
| 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. |
| 2020-21 | Twenty-Ninth 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 31, 2021 | 3:00 p.m. |

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

a) 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, (DIN: 00179072), Whole-time Director, with effect from July 04, 2019 till remaining term of his appointment upto February 13, 2021.

b) At the Twenty-Eighth Annual General Meeting

- (1) Approval of maximum remuneration of Mr. Dilip Shanghvi (DIN:00005588), Managing Director, for further period of two years i.e. from April, 2021 to March 31, 2023.

c) At the Twenty-Ninth Annual General Meeting

- (1) Approval of re-appointment and maximum remuneration of Mr. Kalyanasundaram Subramanian (DIN: 00179072) as the Whole-time Director of the Company for a further period of 2 (Two) years effective from February 14, 2021 upto February 13 2023.
- (2) Approval of maximum remuneration of Mr. Sailesh T. Desai Whole-time Director (DIN: 00005443) for a period of 2 (Two) years with effect from April 1 2022 to March 31 2024 i.e. upto the expiry of his present term of office.

Resolution Passed Through Postal Ballot:

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

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 49 of the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022.
- 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.
- 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, one separate meeting of the independent directors was held on March 21, 2022. At the 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) Transaction of receiving of services from Makov Associates Limited of ₹ 423,882,162/- (Previous Year (PY): ₹ 187,243,223/-) in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman is interested; b) Transactions with MothersonSumi Infotech & Designs Limited for receiving of services upto September 1, 2021 - ₹ 33,325,498/- (PY: ₹ 76,841,912/-) and with Anest Iwata Motherson Private Limited for receiving of services upto September 1, 2021 - ₹ 187,664 /- (PY: ₹ 197,189/-) in which entities Mr. Vivek Chaand Sehgal, Non-Executive and Independent Director upto September 1, 2021 was interested c) Transactions with Sun Petrochemicals Private Limited for lease rent received - ₹ 10,200,000/- (PY: ₹ 2,400,000/-). Other operative income/ other income - ₹ 4,800,000, Deposit Received - ₹ 850,000, Reimbursement of Expenses - Received - ₹ 26,175; and with Kism Textiles Private Limited for purchase of goods/services - ₹ 1,262,251/- (PY: ₹ 206,700); 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, receiving of service expenses, reimbursement of expenses paid, rendering of service income, reimbursement of expenses received and lease rent received - ₹ 1,049,266,922 /- (PY: ₹ 2,166,860,424/-), transaction with Alfa Infraprop Private Limited for Other operative income/ other income - ₹ 9,560,287 (PY: ₹ 22,693,009/-) and reimbursement of expenses paid - ₹ 20,330,452 /- (PY: ₹ 31,917,752); Corporate Social Responsibility contribution to Shantilal Shanghvi Foundation - ₹ 100,000,000/- (PY: ₹ 100,000,000), 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 - ₹ 11,292,000/- (PY: ₹ 55,253,539/-) 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, and proposed Commission to be paid to Independent 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 ₹ 165,874,478 (Rupees One Hundred and sixty five million eight lakhs seventy four thousand four hundred and seventy eight 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: 2
 - b. number of complaints disposed of during the financial year: 2
 - 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, 2022:
 - 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.

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 the year 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.
- **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 2020-21 were sent. Pursuant to SEBI Circular dated May 13, 2022 and MCA Circulars dated May 5, 2022, the Annual Report for FY 2021-22 is being sent electronically. Hard copies shall be sent to those shareholders who request for the same.
- **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 | Monday, August 29, 2022 at 03:00 p.m |
| Venue | Through Video Conferencing/Other Audio Visual means |

15.2 Financial Calendar (tentative):

| | |
|---|--|
| Results for quarter ending June 30, 2022 | Last week of July 2022/First week of August 2022. |
| Results for quarter ending September 30, 2022 | Last week of October 2022/First week of November 2022. |
| Results for quarter ending December 31, 2022 | Last week of January 2023/First week of February 2023. |
| Audited Results for year ended March 31, 2023 | Third or Fourth week of May 2023. |

15.3 Details of Record Date for payment of Dividend to Equity Shareholders:

Monday, August 22, 2022

15.4 Dividend Payment Date:

On or before, Tuesday, September 20, 2022

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 INE044A01036 |

The Company has paid the Listing fees for the Financial Year 2021-22 to BSE Ltd and National Stock Exchange of India Ltd.

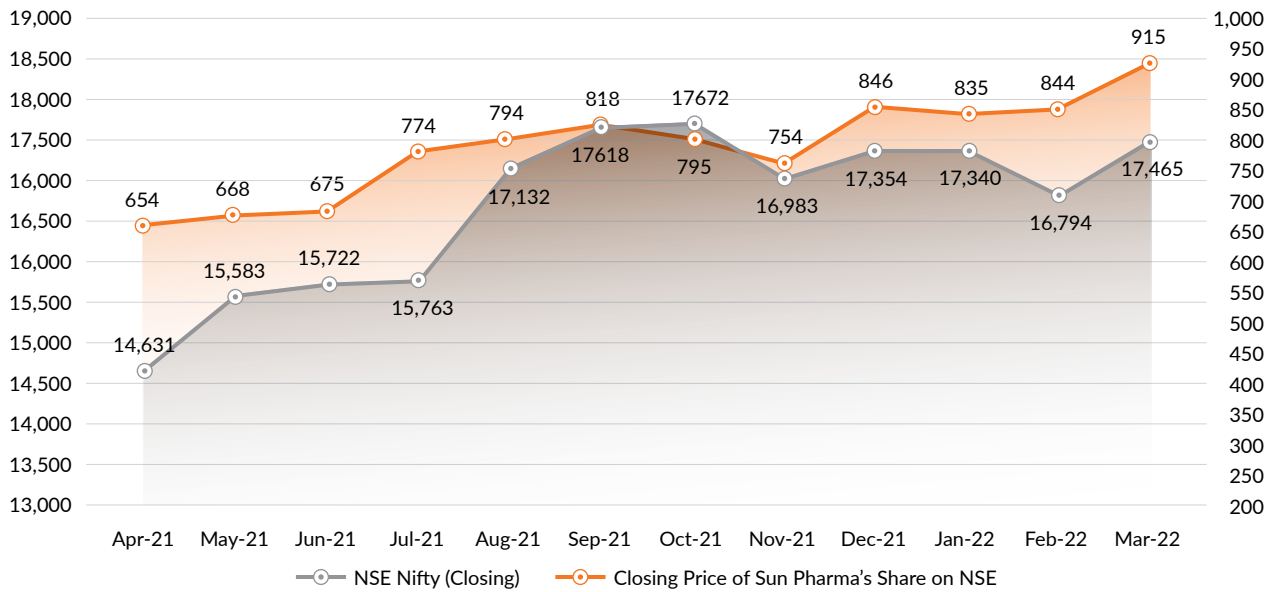
15.6 Stock Market Data - Equity Shares of ₹1/- paid-up value:

| | 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, 2021 | 666.50 | 592.60 | 666.60 | 592.75 |
| May, 2021 | 721.90 | 640.00 | 721.85 | 642.00 |
| June, 2021 | 686.00 | 652.75 | 686.35 | 652.70 |
| July, 2021 | 780.10 | 664.10 | 783.75 | 664.20 |
| August, 2021 | 804.40 | 743.50 | 804.35 | 743.35 |
| September, 2021 | 833.25 | 751.10 | 832.95 | 751.05 |
| October, 2021 | 850.00 | 779.00 | 851.00 | 779.35 |
| November, 2021 | 835.90 | 746.50 | 836.00 | 746.05 |
| December, 2021 | 850.90 | 733.95 | 850.95 | 733.70 |
| January, 2022 | 871.00 | 785.00 | 871.00 | 784.80 |
| February, 2022 | 902.50 | 815.00 | 902.85 | 815.00 |
| March, 2022 | 930.90 | 809.50 | 931.00 | 809.10 |

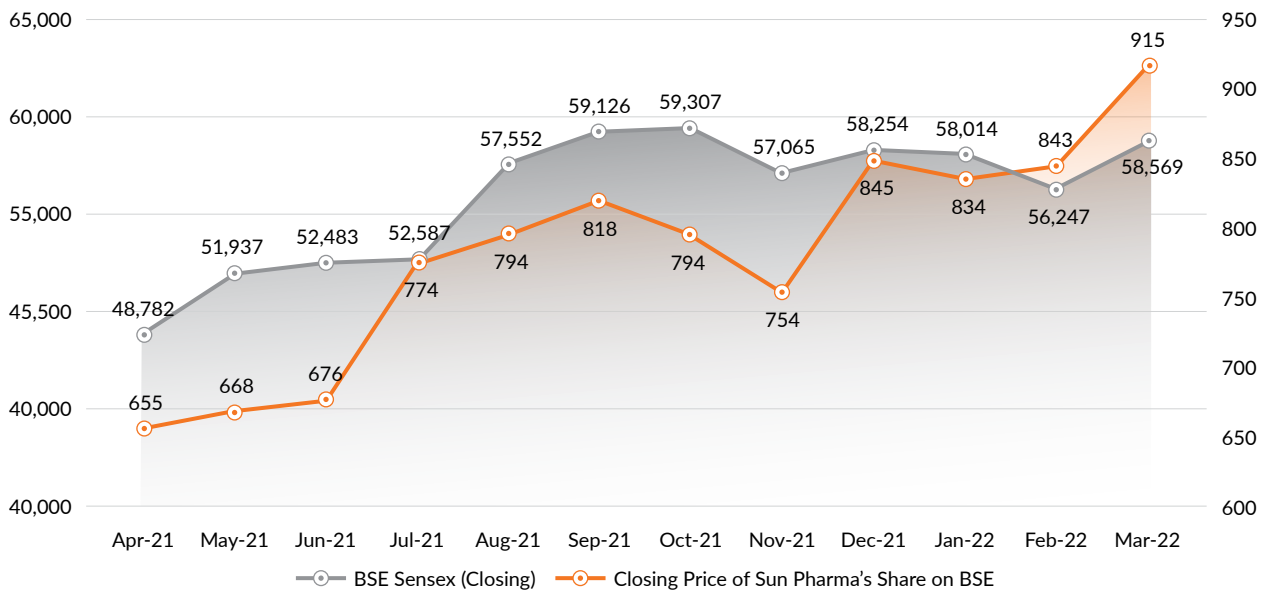
(Source: BSE and NSE website)

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

Sun Pharmaceutical Industries Limited & NSE Nifty closing price:



Sun Pharmaceutical Industries Limited & BSE Sensex closing price:



15.8 Share price performance relative to NIFTY and BSE Sensex based on share price on March 31, 2022

| % 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 | 53.02 | 18.88 | 34.14 | Year-on-Year | 53.08 | 18.30 | 34.78 |
| 2 Years | 159.65 | 103.13 | 56.52 | 2 Years | 159.74 | 98.75 | 60.99 |
| 3 Years | 91.03 | 50.25 | 40.78 | 3 Years | 90.88 | 51.45 | 39.44 |
| 5 Years | 32.93 | 90.38 | -57.45 | 5 Years | 33.02 | 97.73 | -64.71 |
| 10 Years | 220.99 | 229.80 | -8.81 | 10 Years | 221.26 | 236.52 | -15.26 |

(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, 2022

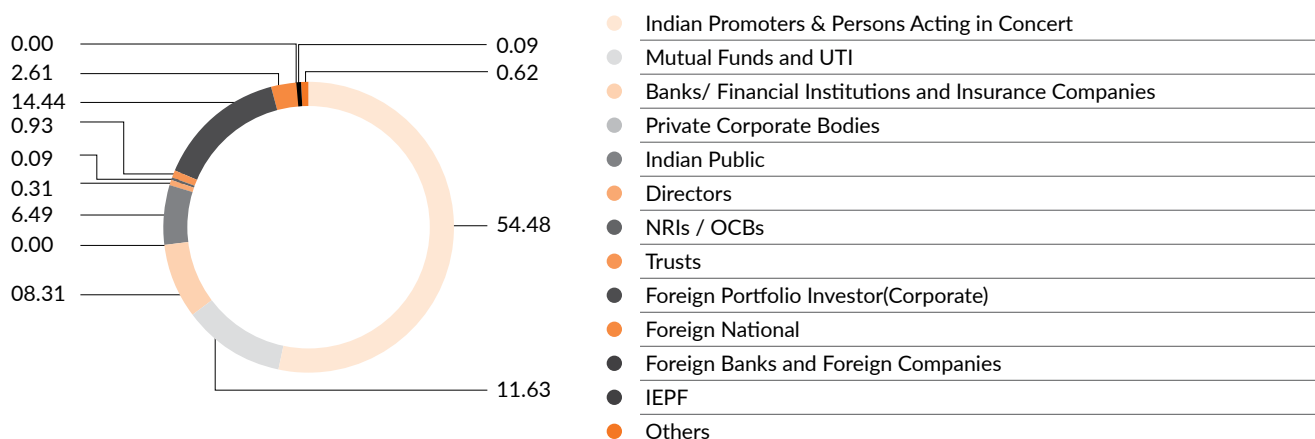
| No. of Equity Shares held | No. of folios | | Shares of face value ₹ 1/- each | |
|---------------------------|----------------|-------------------|---------------------------------|-------------------|
| | Numbers | % to total folios | Numbers | % to total folios |
| Upto 5,000 | 676,323 | 99.1388 | 83,042,375 | 3.4611 |
| 5,001 - 10,000 | 2,550 | 0.3738 | 18,189,988 | 0.7581 |
| 10,001 - 20,000 | 1,700 | 0.2492 | 21,893,532 | 0.9125 |
| 20,001 - 30,000 | 336 | 0.0493 | 8,267,415 | 0.3446 |
| 30,001 - 40,000 | 165 | 0.0242 | 5,853,329 | 0.2440 |
| 40,001 - 50,000 | 113 | 0.0166 | 5,169,542 | 0.2155 |
| 50,001 - 100,000 | 264 | 0.0387 | 19,253,601 | 0.8025 |
| 100,001 and above | 747 | 0.1095 | 2,237,665,188 | 93.2619 |
| Total | 731,768 | 100.000 | 2,399,334,970 | 100.000 |

15.12 Category-wise Shareholding as on March 31, 2022 of Equity Shares

| Sr. No. | Particulars | No. of Shares | Percentage |
|--------------|---|----------------------|---------------|
| A. | Indian Promoters and Persons acting in Concert | 1,307,134,535 | 54.48 |
| B. | Mutual Funds | 279,008,856 | 11.63 |
| C. | Banks/ Financial Institutions and Insurance Companies | 199,392,213 | 8.31 |
| D. | Private Corporate Bodies | 62,609,043 | 2.61 |
| E. | Indian Public | 155,666,320 | 6.49 |
| F. | Directors | 2,167,347 | 0.09 |
| G. | NRIs/ OCBs | 7,556,816 | 0.31 |
| H. | Trusts | 22,414,233 | 0.93 |
| I. | Foreign Portfolio Investor (Corporate) | 346,442,453 | 14.44 |
| J. | Foreign National | 13,731 | 0.00 |
| K. | Foreign Bank and Foreign Companies | 17,775 | 0.00 |
| L. | IEPF | 2,033,839 | 0.09 |
| M. | Others | 14,877,809 | 0.62 |
| Total | | 2,399,334,970 | 100.00 |

Shareholding Pattern as on March 31, 2022:

(%)



15.13 Dematerialisation of Shares

About 99.72% of the outstanding Equity shares have been dematerialised up to March 31, 2022. 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 2021-22 is given below:

| | BSE | NSE | BSE + NSE |
|---------------------------------|--------|----------|-----------|
| In no. of shares (in Thousands) | 223.24 | 4,718.06 | 4,931.24 |
| In value terms (₹ Million) | 167.67 | 3,541.58 | 3,699.99 |

(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, 2022.

Outstanding Stock Options

There are no Stock Options outstanding as on March 31, 2022.

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, 2021. | 296 | 130,716 |
| Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2021 up to March 31, 2022 | 12 | 5,200 |
| Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period from April 1, 2021 up to March 31, 2022. | 12 | 5,200 |
| Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2022. | 284 | 125,516 |

*The voting rights in respect of these shares shall remain frozen till the claim of the rightful 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, 2022:

- | | |
|---|---|
| <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 Madkai 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 (upto January 31, 2022) Mr. Anoop Deshpande, Company Secretary (w.e.f. January 31, 2022) | 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 FY22 |
| | 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 FY22 |
| | 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 30, 2022

ANNEXURE 'A' TO CORPORATE GOVERNANCE REPORT**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT FOR THE YEAR ENDED MARCH 31, 2022**

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.,

Dilip S. Shanghvi
Managing Director
 (DIN: 00005588)

Date: May 30, 2022

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 Members 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 31st March 2022 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 | May 29, 2012 |
| 2 | Dilip S. Shanghvi | 00005588 | March 01, 1993 |
| 3 | Sudhir V. Valia | 00005561 | January 31, 1994 |
| 4 | Sailesh T. Desai | 00005443 | March 25, 1999 |
| 5 | Kalyanasundaram Subramanian | 00179072 | February 14, 2017 |
| 6 | Rama Bijapurkar | 00001835 | May 21, 2021 |
| 7 | Pawan Goenka | 00254502 | May 21, 2021 |
| 8 | Gautam Bhailal Doshi | 00004612 | May 25, 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

COP No.: 20120

UDIN: A049008C000380614

Date: May 30, 2022

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, 2022 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, 2022 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 01, 2021 to March 31, 2022:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee;
 - (g) Corporate Social Responsibility Committee meetings;
 - (h) Corporate Governance and Ethics Committee meetings;
 - (i) Independent Directors.

- 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.
8. 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

9. 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, 2022, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

1. 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.
2. 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 **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 22105754AJVRGA7544

Place of Signature: Mumbai

Date: May 30, 2022