



**INNOVATION THAT
SAVES LIVES**



CORPORATE INFORMATION

Founder

Late Ramanbhai B. Patel

Board of Directors

Pankaj R. Patel

Chairman

Dr. Sharvil P. Patel

Managing Director

Ganesh N. Nayak

Executive Director

Mukesh M. Patel

Non-Executive Director

Bhadresh K. Shah

Independent Director

Nitin R. Desai

Independent Director

Dharmishtaben N. Raval

Independent Woman Director

Apurva S. Diwanji

Independent Director

Nitin D. Parekh

Chief Financial Officer

Dhaval N. Soni

Company Secretary

Nomination and Remuneration Committee:

Mr. Nitin R. Desai,
Chairperson

Mr. Pankaj R. Patel

Mr. Apurva S. Diwanji

Ms. Dharmishtaben N. Raval

Mr. Bhadresh K. Shah

Mr. Mukesh M. Patel

Corporate Social Responsibility Committee:

Mr. Pankaj R. Patel,
Chairperson

Dr. Sharvil P. Patel

Ms. Dharmishtaben N. Raval

Risk Management Committee:

Mr. Pankaj R. Patel,
Chairperson

Dr. Sharvil P. Patel

Mr. Apurva S. Diwanji

Mr. Mukesh M. Patel

Mr. Nitin D. Parekh

Stakeholders' / Investors' Relationship Committee:

Mr. Mukesh M. Patel,
Chairperson

Mr. Pankaj R. Patel

Dr. Sharvil P. Patel

Mr. Bhadresh K. Shah

Share Transfer Committee:

Mr. Pankaj R. Patel,
Chairperson

Dr. Sharvil P. Patel

Mr. Mukesh M. Patel

Finance and Administration Committee:

Mr. Pankaj R. Patel,
Chairperson

Dr. Sharvil P. Patel

Mr. Ganesh N. Nayak

Statutory Auditors

Deloitte Haskins and Sells LLP
Chartered Accountants
Ahmedabad

Zydu Research Centre

Survey No. 396/403,
Sarkhej-Bavla N.H. No. 8A,
Moraiya, Ahmedabad - 382 213

Pharmaceutical Technology Centre (PTC):

Plot No. A-106, 107, Road Number
21, Nehru Nagar,
Wagle Industrial Estate,
Thane West, Thane-400604
Maharashtra

Registrar and Share Transfer Agents

Link Intime India Private Limited,
506-508, Amarnath Business
Centre-1 (ABC-1),
Besides Gala Business Centre,
Off. C G Road, Ellisbridge,
Ahmedabad - 380 006

Formulation Units

Plot No. 1, 1A, 1B and 2,
'PHARMEZ' (Special Economic Zone),
Matoda, Sarkhej-Bavla N.H. No. 8A,
Taluka: Sanand,
District: Ahmedabad - 382 213

Survey No. 417, 419 & 420,
Sarkhej-Bavla N.H. No. 8A,
Village: Moraiya,
Taluka: Sanand,
District: Ahmedabad - 382 210

Survey No. 434/6/B and 434/1/K,
Village Jarol, Taluka: Waghodia,
Vadodara - 391510

Plot No. 254-255,
S.G. Highway N.H. No. 8A,
Changodar, Taluka: Sanand,
Ahmedabad - 382210

Plot No. 203-213,
Kundaim Industrial Estate,
Ponda, Goa - 403 115

Village: Swaraj Majra, Baddi
District: Solan
Himachal Pradesh - 173 205

API Units

Block No. 265/266,
Village: Changodar,
Sarkhej-Bavla, N.H. No. 8A,
Ahmedabad - 382 210

GIDC Estate,
Ankleshwar 393 002, Gujarat

Dabhasa, Taluka: Padra 391 440
District: Vadodara

Block No. 162,
Ekalbara Umraya Road,
Village: Dabhasa,
Taluka: Padra 391 440
District: Vadodara

Biologics Unit
Survey No. 40P, 23, 25P, 42, 37,
Opp. Ramdev Masala,
Sarkhej-Bavla N.H. No. 8A,
Changodar,
District: Ahmedabad - 382 213

Registered and Corporate Office

Zydu Corporate Park,
Scheme No. 63, Survey No. 536,
Near Vaishnodevi Circle,
Khoraj (Gandhinagar), S.G. Highway,
Ahmedabad - 382481

Forward-looking statement: In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

COMMITTEES OF THE BOARD AND THEIR CONSTITUTION:

Audit Committee:

Mr. Nitin R. Desai, Chairperson

Mr. Apurva S. Diwanji

Ms. Dharmishtaben N. Raval

Mr. Bhadresh K. Shah

Mr. Mukesh M. Patel



Mr. Ramanbhai Patel

Founder Chairman

August 19, 1925 - September 19, 2001

"The world continues to battle one of the worst healthcare challenges seen in the recent decades. COVID-19 is still posing a threat to people's lives in India and across the world. As the healthcare fraternity continues to battle this scourge, we at Zydus have brought hope with our therapies and innovations. In March 2020, we resolved to fight this pandemic in every way that we can, with therapeutics, vaccines and diagnostics. We stood united in this mission with the medical professionals, nurses and other frontline warriors bringing greater purpose to our efforts and ensuring that we live upto our credo of creating healthier communities. A year on, we continue to tread on this path, bridging the unmet medical needs and doing all that we can to alleviate suffering and nurturing good health."

Our Founder Chairman, a seeker, an explorer and innovator, continues to inspire us and forms the founding pillar of the innovation journey at Zydus as we live our mission of creating healthier, happier communities by bridging unmet healthcare needs.

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LEADING THE FIGHT AGAINST COVID-19

World's first Plasmid DNA vaccine, indigenously developed by Zydus for COVID-19 is awaiting approvals for Emergency Use Authorisation by the DCGI

ZyCoV-D, World's first Plasmid DNA vaccine, to combat the COVID-19 pandemic is awaiting approvals for Emergency Use Authorisation by the DCGI. Fully committed to the 'Atma Nirbhar Bharat' mission, and the largest COVID vaccine trial in India, this vaccine is a tribute to Indian innovation.

The dosing for the Phase III clinical trials was done in over 28,000 healthy volunteers as part of the multicentric, randomised, double-blind, placebo controlled, study. ZyCoV-D has also been tested for the 12-18 years. The vaccine was found to be safe, well tolerated and immunogenic in the Adaptive Phase I/II clinical trials. ZyCoV-D is stable at room temperature & has a long shelf life from 2 to 8 degrees which is ideal for Indian weather condition. This vaccine is a DNA platform which allows generating new construct quickly to deal with mutations in the virus. It also provides ease of manufacturing with minimal biosafety requirements. The vaccine is intradermal and painless as it is used with a needle-free applicator, Tropis® from the PharmaJet®.

The trial was reviewed by an independent Data Safety Monitoring Board (DSMB) and reports were submitted to Central Drugs Standard Control Organisation (CDSCO) regularly for the update on safety outcome.



Zydus explores monoclonal antibodies cocktail to neutralise COVID infection

Zydus seeks DCGI approval to undertake clinical trials for ZRC-3308 (Covimabs), a cocktail of two anti-SARS-CoV-2 monoclonal antibodies to combat COVID-19. ZRC-3308 can emerge as one of the main treatments for mild COVID-19. SARS-CoV-2 spike protein targeted, neutralizing monoclonal antibody based treatments have received emergency use authorization in mild COVID-19 in the US, Europe and in India because they significantly reduced viral load in mild patients and their rate of hospitalization.

Two of these products are cocktail based products comprising of two mAbs binding to two different epitopes on the spike protein of SARS-CoV-2 virus. Cocktail of 2 mAbs based products are better equipped to deal with variants than single mAb based products which have a tendency of losing their efficacy with rapidly generating variants. Zydus is the only Indian company to have developed a neutralizing monoclonal antibody based cocktail for the treatment of COVID-19.



Zydus launches 'Virafin' for Treating Moderate Covid Patients

Zydus launched Virafin (Pegylated Interferon alpha-2b) for treating moderate COVID infection in adults. A single dose of the antiviral Virafin administered subcutaneously early on shows significant clinical and virological improvement in moderate COVID-19 adult patients. 91.5% of patients treated with Peg IFN were RT PCR negative by day 7. The treatment significantly reduces the hours of supplemental oxygen in the patients.

In the multicentric trial conducted in 20-25 centers across India, Virafin had shown lesser need for supplemental oxygen, clearly indicating that it was able to control respiratory distress and failure which has been one of the major challenges in treating COVID-19. The drug has also shown efficacy against other viral infections.

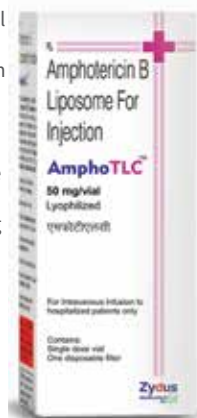


Zydus markets Liposomal Amphotericin B, A Critical Drug to Treat Black Fungus Or Mucormycosis In India

Zydus and TLC of Taiwan, signed a license, supply and commercialization agreement to commercialize AmphoTLC™ (Amphotericin B Liposome for Injection 50mg) in India. AmphoTLC™ is a critical drug to treat Mucormycosis or Black Fungus in India.



The Central Drugs Standard Control Organization (CDSCO) of India has approved the New Drug Application (NDA) of TLC for Amphotericin B Liposome for Injection 50mg or AmphoTLC™ for immediate importation as per approved usage and indication. AmphoTLC™ is the first and only complex generic drug to have achieved bioequivalence to Gilead's AmBisome, proving its sameness to the safest form of amphotericin B in the world.



Zydus Launched Viroshield Mouth Spray

Zydus launched Viroshield mouth spray. Viroshield is a unique scientifically tested enzyme based formulation. It provides protection and safety against the coronavirus. The spray is an easy to use mouth spray wherein one needs to puff it twice in the throat area, which forms a protective layer on the mucous membrane in the throat to prevent the viruses from infecting the cells in the throat which reduces the viral load. This mouth spray can be used by children who are above four years of age.



Remdac is the most affordable Remdesivir at Rs. 899

Zydus makes Remdac, its brand of Remdesivir more affordable at Rs. 899 for a 100 mg lyophilized injection. The critical drug even at the time of its launch was the most economical brand of Remdesivir. The price cut made it further affordable for the patients.



The Hon'ble Prime Minister of India Shri Narendra Modi visits Zydus Biotech Park

The Hon'ble Prime Minister of India, Shri Narendra Modi visited the Zydus Biotech Park and took a tour of the facilities. This was a historic moment when the Zydans committed themselves to the mission of Atma Nirbhar Bharat.

Zydus Biotech Park houses the Zydus VTEC (Vaccine Technology Excellence Centre) which is the new manufacturing hub for the world's first DNA plasmid vaccine.



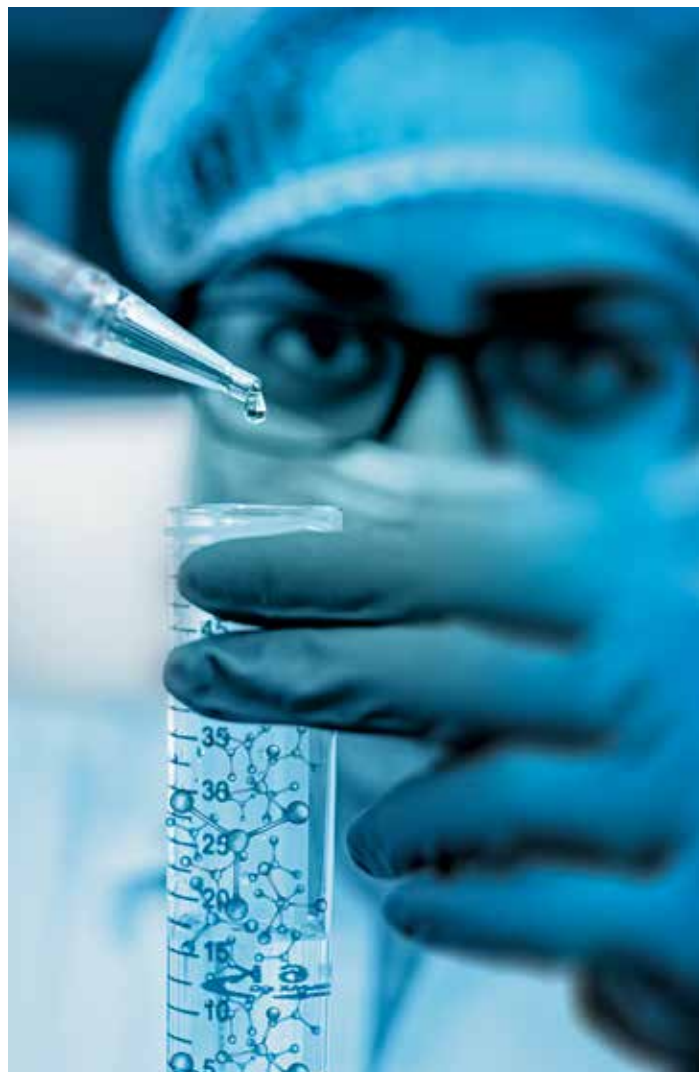
Zydus commenced Phase I trials of ZYL1, a novel oral small molecule NLRP3 inflammasome inhibitor

Zydus announced Phase I trials of ZYL1, a novel oral small molecule NLRP3 inflammasome inhibitor can selectively modulate the inflammatory responses caused by the 'Cytokine Storm' in Acute Respiratory Distress Syndrome (ARDS), COVID-19 and other inflammatory conditions. Following up on our initiatives to fight COVID-19 with diagnostics, vaccines and therapeutics, the focus is now on the cutting edge research to bring targeted therapies that can selectively modulate the inflammatory responses caused by the Cytokine Storm.

NLRP3 inflammasomes are involved in the inflammation process by production and release of pro-inflammatory cytokines IL-1 β and IL-18. This harmful inflammation within the body leads to the onset and development of various kinds of diseases, including auto-immune diseases, inflammatory diseases, cardiovascular diseases, metabolic disorders, Gastro-intestinal diseases (inflammatory bowel disease), renal diseases, CNS diseases as well as Acute Respiratory Distress Syndrome (ARDS).

A range of products launched to fight the pandemic

Zydus launched a range of new products to further strengthen the COVID-19 portfolio. Starting from Fabidac- Favipiravir, Iveloc- Ivermectin, Derinide, Depotex, Zincee; a Vitamin C tablet, Cimune; a combination of Vitamin C (Ascorbic Acid) and Elemental Zinc in India. Cimune - SF; a sugarfree variant for diabetic patients, Supermune; an immuno-booster, comprising a unique combination of herbs multiminerals and multivitamins, a one-of-its-kind product in India.



Zydus is also one of India's leading manufacturers of Dexamethasone. The drug is used extensively for COVID-19 patients. We have supplied 6.36 crore injections and 3.01 crore ampoules across India during the pandemic.

Also being one of the largest manufacturers of Hydroxychloroquine, Zydus ramped up the production of Hydroxychloroquine from 9 tons per month to 30 tons per month to meet the demand in India and across the world.

The first batch of 30,000 COVID KAVACH ELISA tests were manufactured and supplied by Zydus Diagnostics, to Indian Council of Medical Research (ICMR), free of cost. These test kits have been manufactured in technology transfer with ICMR-NIV of Pune for surveillance purposes.





Pankaj R. Patel | Chairman

In the coming decades, there will be a special focus on healthcare to tackle unforeseen challenges or bridge unmet healthcare needs. Zydus is gearing up to meet this demand, leading the way with innovation.

CHAIRMAN'S MESSAGE

Dear Shareowners,

MARCHING AHEAD WITH A MISSION

The pandemic of COVID-19 which began in 2020 continues to place countries and healthcare infrastructure across the world under tremendous stress. Faced with this formidable challenge, the factors that impact the economy have also changed quickly and dramatically. Amidst these uncertainties we continued with our fight against COVID-19 with new launches, new therapies and renewed efforts in research.

From diagnostics to therapeutics and preventives, Zydus has been leading the way with a mission to do all that it can to fight this challenge. We leveraged our manufacturing capabilities to provide required quantities of Hydroxychloroquine and other therapies like Dexamethasone and other medicines, to help patients fight the infection, like Fabidac- Favipiravir, Iveloc- Ivermectin, Derinide, Depotex, Cimmune and Supermune, immuno-boosters to provide succour to people afflicted with COVID-19. Remdac launched in July 2020 continues to be the most affordable and largest selling brand of Remdesivir in India, as per volume. Completing the trials on Pegylated Interferon alpha-2b (PegIFN), we received an emergency use authorisation for Virafin, to treat moderate COVID-19 infection in adults. A single dose subcutaneous regimen of Virafin makes the treatment more convenient for the patients. When administered early on during COVID infection, Virafin helps patients recover faster and avoid much of the complications.

ZyCoV-D, our plasmid DNA vaccine, which is the world's first DNA vaccine for human use has shown promising results. No severe cases of COVID-19 or deaths have been observed after the third dose of ZyCoV-D till date. Also, no moderate case of COVID-19 disease was observed in the vaccine arm post administration of the third dose suggesting 100% efficacy for moderate disease. ZyCoV-D which is awaiting approvals for emergency use from the DCGI could be the first vaccine to be made available for adolescents in the age group of 12-18 years, besides the adult population. The DNA platform used in ZyCoV-D is a plug and play technology which can be easily and quickly adapted to the mutations in the virus, such as those already occurring. The vaccine is applied using the PharmaJet® needle free system, Tropis®, which leads to a significant reduction in any kind of side effects. ZyCoV-D is stored at 2-8°C but has shown good stability at temperatures of 25°C for at least three months. The thermostability of the vaccine will help in easy transportation and storage of the vaccine and reduce any cold chain breakdown challenges leading to vaccine wastage. Also being a plasmid DNA vaccine, ZyCoV-D doesn't have any problem associated with vector based immunity.

A detailed report on the various steps taken by your company in battling COVID-19 has been shared in this annual report.

EMBARKING ON A NEW DECADE

The start of every decade has been a defining moment for us. The speed of change and transformation and the impact that it has on the lives of people, and the way we live is often what growth and progress has been all about. We are not new to managing and winning in times of uncertainty. In our growth journey over the last two and half decades, we have been able to emerge despite challenges. In the year 2000 we welcomed our shareholders to participate in our growth. We also grew in size and scale to end the decade as a billion dollar company. In 2011 we welcomed the decade of innovation from Zydus. With each innovation we also relived our mission and purpose to find solutions to meet unmet healthcare needs and our resolve to provide these solutions in an affordable way. A key part in facilitating this, was our ability to conduct lab to market innovations, leverage technical operations and create value by optimizing cost and improving productivity. As an organization we have been honing our skills in execution, adding a great deal of agility to it. The rigour of execution goes swiftly beyond strategy to a concerted effort in making it happen. While we continue on this path, what we need to understand are the new drivers of change that can help us in our winning ways in the coming decade and beyond.

WHAT WILL DIFFERENTIATE US IN THE DECADE AHEAD?

This new decade will be propelled by technology and global connectivity. We need to see how we can embrace both. We are already transforming ourselves as an innovative global healthcare company. We will continue to build a truly global Zydus powered by Science and Innovation. We will move ahead by leveraging our deep presence and offering a broad and balanced mix of leading technologies, products and services and most importantly, by pursuing next-level performance across our business in everything we do.

There are going to be abundant opportunities in the coming decade but we will need to seize them in a complex, evolving and ever changing world. We will have to explore new ways to innovate and grow with our customers and partners. We must deliver real impact to our patients, customers and stakeholders to make ourselves distinctive. We will need to constantly refresh ourselves with a growth mind-set, be in the future radar and lead with an inspiring purpose. Most importantly we will need to move ahead with confidence and optimism that this decade belongs to us.

COVID-19 is not the first healthcare challenge that has brought about a huge change in the world around us and it certainly won't be the last. But what will make the difference is how we respond to these challenges. This is where Innovation and the ability to bring excellence in execution will matter and make all the difference. Innovation has been a game changer for us and it will continue to be an arrowhead for us in the decade ahead. Innovation also in terms of how we reach out to customers, that's going to be the most critical part of what we do. As we move ahead, we will continue to find newer ways of reaching out to patients and key opinion leaders and do this in a faster, simpler and more efficient ways.

MAKING INNOVATION OUR NORTH STAR

In the coming decades, there will be a special focus on healthcare to tackle unforeseen challenges or bridge unmet healthcare needs. Zydus is gearing up to meet this demand, leading the way

with innovation.

We'll also see progress from continued, significant investment in research and development. Our R&D community, with more than 1400 research scientists and pharma technology experts, is always working to improve current offerings and design the products of the future. Zydus is a story of innovation, made possible by a remarkable team – a team that will always persevere to bring the most innovative products to the world.

THRUST ON DIGITAL TECHNOLOGIES

We're on a journey of continuous improvement in critical areas such as digital platforms technology.

We live in an age that demands smart work. An era in which data provides key analytics that save money, time and lives. That's why we will continue to expand and enhance our digital platforms. By combining technology with our services that bring information to life, our connect with customers and patients are gaining an edge.

DRIVING A CULTURE OF EXCELLENCE

We have always been championing enterprise excellence to drive value for the customer and bridging customer expectations and requirements. To this end, we have been aligning critical processes to improve end-to-end outcomes. The strategy also includes efforts to strengthen core business processes across the enterprise. The efforts underway are delivering a more connected, responsive and competitive Zydus. It's a Zydus that we are proud of.

Our global and diverse workforce is at the very heart of Zydus' success. We hold ourselves to high standards of values in the way we carry out our work, and the way in which we strive to foster an inclusive environment for ourselves. Our success is the result of a collaborative effort between the different teams spread across globally.

Leadership and accountability constitute a big part of our people strategy. We also place a lot of emphasis on learning and enriching skills through a comprehensive talent development programme which continuously strengthens our leadership bench strength. By actively promoting internal talent and providing abundant opportunities for role expansion and career growth, Zydus has been building people to build its business. All of this will help us step up the momentum for growth in the coming decade, and take our company to the next level, expand our business and serve customers like never before.

A bigger, more expansive and stronger Zydus, connected to the world is what we envision in our growth journey ahead. As we work through these unprecedented times, I have every confidence in our team and our strategy. Bringing more innovations to life, making good on our commitment to create healthier communities with patient-centric approaches, will be our overarching purpose as we move ahead, fulfilling our mission as a healthcare focussed organisation.

Pankaj R. Patel
Chairman
July 14, 2021



HIGHLIGHTS OF OPERATIONS 20-21

CONSOLIDATED FINANCIAL HIGHLIGHTS

Total income from operations was up by 6% y-o-y to ₹ 151 bn., from ₹ 142.5 bn. last year.

Net profit was up by 81% y-o-y to ₹ 21.3 bn., from ₹ 11.8 bn. last year. The net profit margin as % to total income from operations stood at 14.1% during the year which is an improvement of 580 basis points over the preceding year. Net profit excluding certain exceptional and non-recurring items, grew by 44% during the year.

Earnings before interest, depreciation and tax (EBIDTA) was up by 20% y-o-y to ₹ 33.4 bn., from ₹ 27.8 bn. last year.

The EBIDTA margin as % to total income from operations improved by 260 basis points during the year viz-a-viz the preceding year and stood at 22.1%.

Consolidated net debt as on 31st March, 2021 stood at ₹ 35 bn. against ₹ 67.4 bn. last year. Net debt-equity ratio was 0.27:1 as on March 31, 2021 as against 0.65:1 as on March 31, 2020. Net debt to EBIDTA ratio for the year was 1.05 as against 2.42 in FY20.