

ZYDUS FOUNDATION

Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, Ahmedabad-382481
Phone: +91-79-48040000; +91-79-71800000
CIN: U85300GJ2019NPL105919
Website: www.zydusfoundation.com

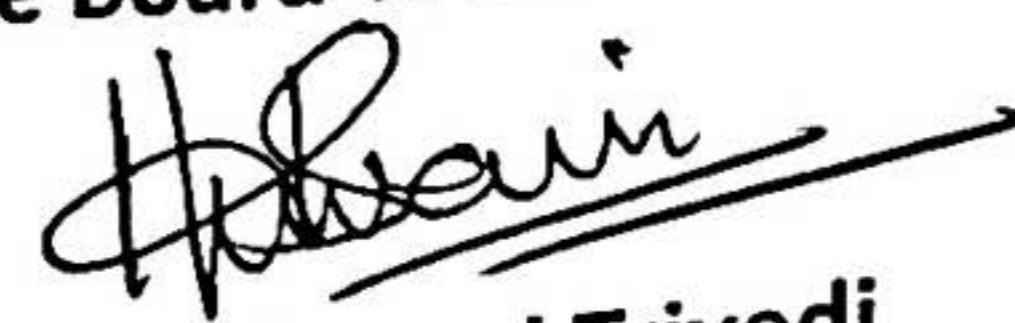
NOTICE

NOTICE is hereby given that the **Third Annual General Meeting** of the Company will be held on Tuesday, August 10, 2021 at 11.00 a.m. at the registered office of the Company situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2021 along with the report of the Board of Directors and Auditors thereon.
2. To consider the re-appointment of Mr. Jyotindra Gor (DIN-06439935) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board of Directors



Dhwani Trivedi
Company Secretary
Membership no. ACS46809

Place: Ahmedabad
Date: June 30, 2021

NOTE:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NO TO BE MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

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ATTENDANCE SLIP

ZYDUS FOUNDATION

ATTENDANCE SLIP

[CIN: U85300GJ2019NPL105919]

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Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481

THIRD ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the Third Annual General Meeting of the Company on Tuesday, August 10, 2021 at 11:00 a.m. at the Registered Office situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481.

.....
Member's Folio No.
Signature

.....
Member's/Proxy's name in Block

.....
Member's/Proxy's

Note:

1. Please complete the Folio No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Physical copy of the Annual Report for 2021 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members.

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PROXY FORM

[CIN: U85300GJ2019NPL105919]

Regd. Office: Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481

Name of the member (s):

Registered address:

E-mail Id:

Folio No.

I/We being the member(s) holding shares of the above named Company hereby
appoint:

(1) Name:.....

Address:.....

E-mail ID:..... Signature:.....or
falling him/her;

(2) Name:.....

Address:.....

E-mail ID:..... Signature:.....or
falling him/her;

(3) Name:.....

Address:.....

E-mail ID:..... Signature:.....;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf on Tuesday,
August 10, 2021 at 11:00 a.m. at the Registered Office situated at Zydus Corporate Park,
Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway,
Ahmedabad – 382481 and at any adjournment thereof.

Signed this day of 2021

Signature of shareholder

Signature of Proxy holder(s)

ZYDUS FOUNDATION

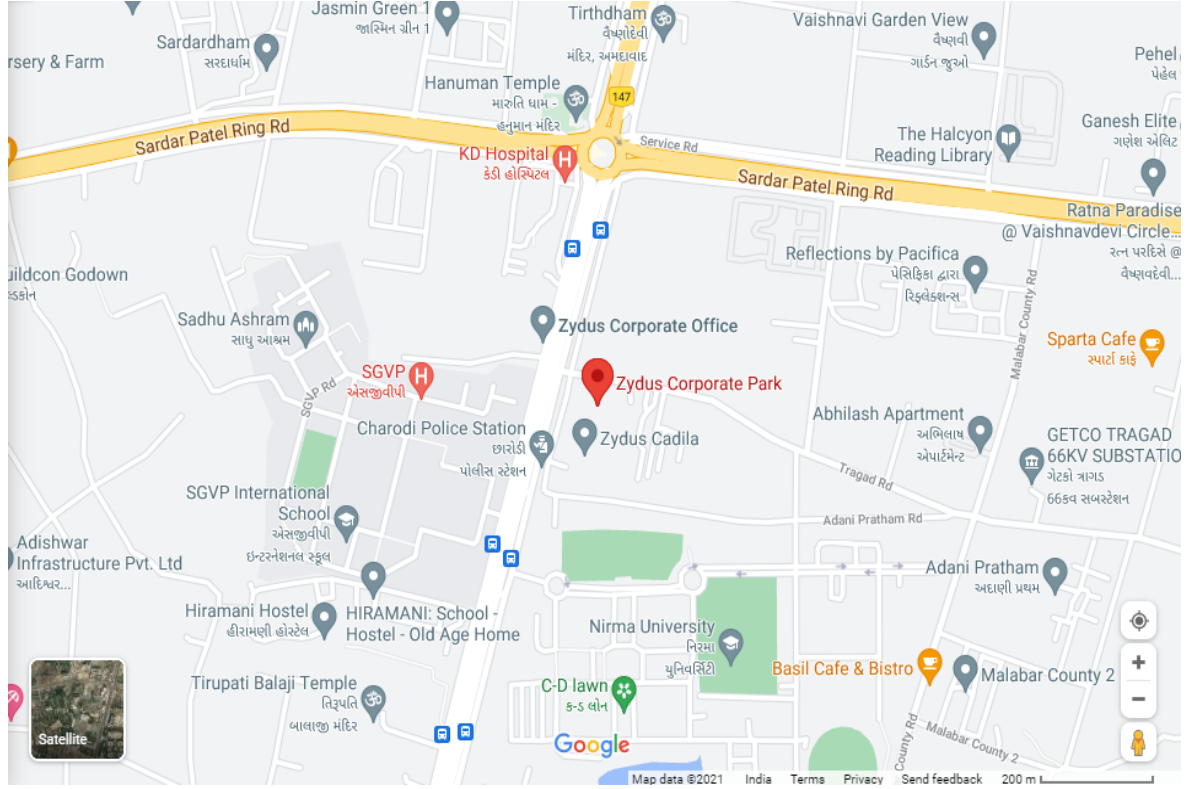
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Website: www.zydufoundation.com

Route Map of AGM Venue



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Board's Report

Your Directors are pleased to present the Third Annual Report and the Audited Financial Statements for the Financial Year ended on March 31, 2021.

Financial Results:

(Rs. in Lacs)		
Particulars	2020-21	2019-20
Total Income	5472	3692
Less: Total Expenditure	(6436)	(3978)
Surplus/(Deficit) before Tax	(964)	(286)
Tax Expenses	-	-
Surplus/(Deficit) for the year	(964)	(286)

Operations of the Company:

To serve the needs of the patients and bring the best of the best medical education to the rural population of India, the Company has set up a Medical College and a multi-speciality 750 bedded Hospital at Dahod, namely "Zydus Medical College and Hospital", under the Brown-field policy of the Government of Gujarat.

The hospital provides free treatment & medical services to all types of outdoor and indoor patients. The newly constructed hospital is nearing completion. Located in a sprawling 20-acre campus, the Zydus Medical College and Hospital Dahod, is a self-financed brownfield medical college project, set up in a Public Private Partnership ("PPP") model of Government of Gujarat.

The Zydus Medical College is the first Medical College to be set up in Dahod and the first batch of the MBBS programme commenced in August 2018. At present, there are 550 students enrolled for the MBBS programme. The college will also start the postgraduate courses in due course of time. In the ongoing fight against Coronavirus, 200 bed quarantine facility was created at the Zydus Medical Hospital, Dahod.

The hospital has been serving as a healthcare hub for needy and underprivileged patients of nearby three states of India.

Holding Company:

The Company is a wholly owned subsidiary of Cadila Healthcare Limited, a flagship company of Zydus Group of companies.

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Non-Convertible Debentures (NCDs):

During the year under review, your Company raised funds through private placement of 500 Unsecured, Listed, Rated, Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lakh each ("NCDs") aggregating to Rs. 50 Crores having maturity period of 5 years.

The said NCDs were carrying interest rate 0.1% were issued and allotted on September 28, 2020 to Recon Pharmaceuticals and Investments, a partnership firm.

However, the listing application of the said NCDs were rejected by National Stock Exchange of India Limited. Hence, the said NCDs were cancelled and the funds received towards the NCDs were returned back to the subscriber of the NCDs. Necessary corporate actions were taken to extinguish the corresponding ISIN.

Debenture Trustee:

Details of Debenture Trustee for the NCDs of Rs. 185 crores, which were issued during March, 2020 are as under:

IDBI Trusteeship Services Limited

Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001,
Phone No. +91-22-40807000 | Fax: +91-22-66311776,
Email id: itsl@idbitrustee.com, Website: idbitrustee.com.

Directors:

Mr. Pankaj R. Patel (DIN-00131852), Dr. Sharvil P. Patel (DIN-00131995), Mr. Jyotindra B. Gor (DIN-06439935) and Mrs. Sujatha Rajesh (DIN-08071096) are the Directors of the Company.

In accordance with the provisions of section 152 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, Mr. Jyotindra B. Gor (DIN-06439935), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has expressed his willingness to be re-appointed.

The Board recommends the re-appointment of Mr. Jyotindra B. Gor as a Director of the Company liable to retire by rotation.

Appointment of Key Managerial Personnel (KMP):

During the year under review, the Company has appointed Mrs. Dhvani Trivedi as the Company Secretary and Compliance Officer w.e.f. December 1, 2020 in compliance with regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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Deposits:

During the year under review, the Company has not accepted any fixed deposit from the public.

Related Party Transactions:

All contracts / arrangements / transactions entered by the Company during the financial year with Related Parties were in the ordinary course of business and on an arm's length basis. There is no material transaction with related parties entered into by the Company during the year, which requires the disclosure of particulars thereof as provided under section 134(3)(h) of the Act and Rules made thereunder.

Directors' Responsibility Statement:

In terms of section 134(3)(c) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (b) such accounting policies have been selected 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 on March 31, 2021 and of the expenditure of the Company for that period;
- (c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- (d) the annual financial statements have been prepared on going concern basis,
- (e) proper internal financial controls are in place and that the financial controls are adequate and operating effectively and
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and are adequate and operating effectively.

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Board Meetings:

During the year, six Board Meetings were held on July 31, 2020, September 23, 2020, September 28, 2020, November 11, 2020, December 1, 2020 and March 18, 2021. The intervening gap between the meetings was within the period prescribed under the Act. All the Directors were present in the meetings.

Statutory Auditors and their Report:

M/s. Mukesh M. Shah & Co. Chartered Accountants, Ahmedabad (Firm Registration No. 106625W) was appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of the First Annual General Meeting till the conclusion of Sixth Annual General Meeting.

The Company has received a certificate from the Statutory Auditors to the effect that their appointment will be within the limits defined under section 139 of the Act.

The Board has duly reviewed the Statutory Auditor's Report furnished by M/s. Mukesh M. Shah & Co., Chartered Accountants for the period ended on March 31, 2021. The observations & comments, appearing in the said report are self-explanatory and do not call for any further explanation/clarification by the Board in its Report as provided under section 134 of the Act.

Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of section 204 of the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Board has appointed Hitesh Buch & Associates, Practicing Company Secretaries, to undertake Secretarial Audit for the financial year ended on March 31, 2021. The Secretarial Auditor's Report is attached herewith as **Annexure - A**. The Board has duly reviewed the Secretarial Auditor's Report.

The Board is of the opinion that the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors in their Boards' Report as provided under section 134 of the Act.

Corporate Social Responsibility (CSR):

The Company does not fall in any of the criteria laid down in section 135(1) of the Act and Rules made thereunder and therefore is not required to comply with the relevant provisions of the said section during the year under review.

The Company is an implementing agency for carrying out CSR activities and have registered itself on MCA portal. The unique registration number is CSR00000974.

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Reporting of Frauds:

There have been no instances of fraud reported by the Statutory Auditors under section 143(12) of the Act and the Rules framed thereunder either to the Company or to the Central Government.

Particulars of Loans, Guarantees or Investments:

The Company has not granted any loan and/or guarantee to any party, nor has made any investments. Hence, disclosure of the particulars thereof as required under section 186 of the Act are not required to be disclosed.

Internal control systems and its adequacy:

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to section 134(5)(e) of the Act. For the year ended on March 31, 2021, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

Annual Return:

As per the provisions of section 92(3) read with Section 134(3)(a) of the Act the Annual Return as on March 31, 2021 in the prescribed Form No. MGT-7 is available on the website of the Company www.zydusfoundation.com.

Secretarial Standards:

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India for the meetings of the Board of Directors and the General Meetings.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are not required to be disclosed separately, as the same is not applicable to the Company.

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General Disclosures:

Your Directors state that the Company has made disclosures in this report, the items prescribed in section 134(3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the year.

There are 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.

Particulars of Employees:

No employee of the Company was in receipt of remuneration in excess of the amount specified in section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review.

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-B**.

Disclosure as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and 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 thereunder.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the Financial Year 2020-2021, the Company has not received any complaint of sexual harassment.

Vigil Mechanism / Whistle Blower Policy:

The Parent Company has established vigil mechanism and framed Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which is applicable to the Company also.

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Board Evaluation:

Pursuant to the provisions of the Act and Rules made thereunder and as provided under Schedule IV of the Act, the Board has carried out the annual performance evaluation of itself, the Directors individually.

Acknowledgment:

Your Directors take this opportunity to place on record the valuable cooperation and support extended by Banks and its shareholders for their continued confidence reposed in the Company and look forward to having the same support in all its future endeavors.

On behalf of the Board of Directors


Jyotindra B. Gor
Director
DIN: 06439935


Sujatha Rajesh
Director
DIN: 08071096

Date : June 30, 2021
Place : Ahmedabad

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

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

To,
The Members of
Zydus Foundation
U85300GJ2019NPL105919
Zydus Corporate Park, Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway,
Ahmedabad – 382481

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

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:
 - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
 - (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. (Not Applicable during the year)
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to disclosures thereunder; (Not Applicable)
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time; (Not Applicable)
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable);
 - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- (vi) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable);
 - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable); and
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable)
3. We have relied on the representations made by the Company and its officers for the systems and mechanism formed by the Company for compliances under other general laws and regulations applicable to the Company.
4. The Company has identified and confirmed that following Acts are specifically applicable to the Company.
- (1) The Drugs & Cosmetic Act 1940 (For Blood Bank & Pharmacy Store- Food & Drugs Control Administration)
 - (2) Pharmacy Act 1948
 - (3) Pre -Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 (For USG & CT scan)
 - (4) The Atomic Energy Act 1962 (AERB) (for X-ray & CT Scan)
 - (5) Birth, Death and Marriages Registration Act 1886
 - (6) Medical Termination of Pregnancy Act, 1971
 - (7) Environment (Protection) Act 1986 (Biomedical Waste Management & Handling Rules 2016)
 - (8) Gujarat Fire Prevention & Life Safety Measures Act, 2013 (For Fire Safety)
 - (9) Shop & Establishment Act 1948
 - (10) Lifts and Escalators Act 2000
5. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
 - (ii) The compliances by the Company with National Stock Exchange of India Limited pursuant to Listing Agreement and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as applicable to the Company with respect to listing of its non-convertible debt securities.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors/Key Managerial Personnel ["KMP"] that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.



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, during the audit period there were following specific events / actions were taken up by the Company:

During the year under review, National Stock Exchange of India Limited vide its letter dated 22nd April 2020 granted listing approval in respect of 1850 Unsecured, Redeemable, Non-cumulative, Taxable Non-convertible Debentures of Rs. 10,00,000 each aggregating Rs. 185 crore issued by the Company.

2. The Company issued 500 unsecured, redeemable, non-convertible debentures of Rs. 10,00,000 each aggregating Rs. 50 crore during the year which were subsequently cancelled due to rejection of listing application by National Stock Exchange of India Limited. The amount of Rs. 50 crore was refunded to the debenture-holder upon cancellation of the debentures.





Hitesh Buch
Proprietor
For, Hitesh Buch & Associates
Company Secretaries
FCS No.: 3145; C P No.: 8195
UDIN: F003145C000548877

Ahmedabad, 30th June 2021

Note:

We have conducted online verification and examination of records, as available in the public domain and as facilitated by the company, due to Covid19 restrictions and considering the extraordinary circumstances arising out of current pandemic, for the purpose of issuing this report.

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

To,
The Members of
Zydus Foundation
U85300GJ2019NPL105919

Annexure

Zydus Corporate Park, Scheme No. 63, Survey No. 536,
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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 the test basis to ensure that correct facts are reflected in the 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 and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



Hitesh Buch
Hitesh Buch

Proprietor
For, Hitesh Buch & Associates
Company Secretaries
FCS No.: 3145; C P No.: 8195
UDIN: F003145C000548877

Ahmedabad, 30th June 2021

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ANNEXURE-B

Particulars of remuneration as per section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- a. **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

Name of the Director	Ratio of each Director to the median remuneration of the employee
Mr. Pankaj R. Patel	0
Dr. Sharvil P. Patel	0
Mr. Jyotindra B. Gor	0
Mrs. Sujatha Rajesh	0

- b. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:**

Name of the Director, the Chief Financial Officer and the Company Secretary	% increase in the remuneration in the financial year
Mr. Pankaj R. Patel	0
Dr. Sharvil P. Patel	0
Mr. Jyotindra B. Gor	0
Mrs. Sujatha Rajesh	0
Mrs. Dhvani Trivedi* Company Secretary	N.A. (as appointed during the year)

*appointed as Company Secretary w.e.f. December 1, 2020.

- c. There is no increase in the percentage in the median remuneration of employees in the financial year.
- d. There were 633 permanent employees on the rolls of the Company as on March 31, 2021.
- e. The expenditure over income for the financial year ended on March 31, 2021 was increased by 236 % and the average increase in remuneration of employees was nil.
- f. There is no increase in the remuneration of the Company Secretary.

ZYDUS FOUNDATION

Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, Ahmedabad-382481
Phone: +91-79-48040000; +91-79-71800000
Webiste: www.zydusfoundation.com
CIN: U85300GJ2019NPL105919

- g. The average annual increase in the salaries of the employees, other than managerial personnel was nil, whereas the weightage average increase in the managerial remuneration was also nil for the financial year.
- h. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this Annual Report. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors


Jyotindra B. Gor
Director
DIN: 06439935


Sujatha Rajesh
Director
DIN: 08071096

Date : June 30, 2021
Place : Ahmedabad

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZYDUS FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zydus Foundation ("the Company"), which comprise the balance sheet as at 31st March 2021 and the statement income and expenditure (including other comprehensive income), the statement of changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its deficit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

This report does not contain a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act as, in our opinion, and according to the information and explanations given to us, Order is not applicable in the case of the company.

A. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of income and expenditure (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial statements in its financial statements;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad
Date: June 30, 2021
UDIN: 21030190AAAAAO7579



For MUKESH M. SHAH & CO.,
Chartered Accountants
Firm Registration No.: 106625W

Mukesh M. Shah
Partner
Membership No.: 030190

"Annexure A" referred to in the Independent Auditors' Report of even date to the members of "Zydus Foundation" on the Financial Statements for the year ended 31st March, 2021.

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the act")

We have audited the internal financial controls over financial reporting of Zydus Foundation ("the company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India [ICAI]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgement, including the assessment of the material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March 2021 in all material respect based on the internal control over financial reporting criteria by the Company considering the essential components of control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad
Date: June 30, 2021
UDIN: 21030190AAAAAO7579



For MUKESH M. SHAH & CO.,
Chartered Accountants
Firm Registration No.: 106625W

Mukesh M. Shah
Partner
Membership No.: 030190

Zydus Foundation
Balance Sheet as at Mar 31, 2021

Particulars	Note No.	INR- Lacs	
		As at March 31	
		2021	2020
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3	9,868	1,573
Intangible asset	3 [B]	6	3
Capital work-in-progress		28,204	19,943
Financial Assets:			
Other Financial Assets	4	103	42
Other Non-Current Assets	5	586	4,840
		38,767	26,401
Current Assets:			
Inventories	6	92	30
Financial Assets:			
Trade receivable	7	102	142
Cash and Cash Equivalents	8	472	861
Other Current Financial Assets	9	916	319
		1,490	1,322
Other Current Assets	10	44	30
Current tax assets	11	3	-
		1,629	1,382
Total		40,396	27,783
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	12	5	5
Other Equity	13	16,892	3,784
		16,897	3,789
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	14	13,558	12,542
Provisions	15	193	108
		13,751	12,650
Other Non-Current Financial Liabilities	16	8,020	7,724
		21,771	20,374
Current Liabilities:			
Financial Liabilities:			
Trade Payables:			
Dues to Micro and Small Enterprises	17	-	-
Dues to other than Micro and Small Enterprises	17	176	57
Other current financial liabilities	18	1,411	3,349
		1,587	3,406
Provisions	19	50	21
Other current Liabilities	20	91	193
		1,728	3,620
Total		40,396	27,783
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 32		

As per our report of even date
Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W



Mukesh M. Shah
Partner
Membership Number: 030190
Ahmedabad, Dated: June 30, 2021




Dhwani Trivedi
Company Secretary

For and on behalf of the Board



Sufatha Rajesh
Director
DIN- 08071096



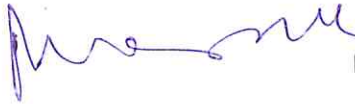
Jyotindra B. Gor
Director
DIN- 06439935

Zydus Foundation
Statement of Income and Expenditure for the year ended Mar 31, 2021

Particulars	Note No.	INR- Lacs	
		Year ended March 31	
		2021	2020
Revenue	22	3,343	2,817
Other Income	23	2,129	875
Total Income		5,472	3,692
Expenses:			
Employee Benefits Expense	24	2,794	2,370
Finance Costs	25	1,066	23
Depreciation, Amortisation and Impairment expense	3	711	134
Administration and other expenses	26	1,865	1,451
Total Expenses		6,436	3,978
Excess of Expenditure over income before tax		(964)	(286)
Tax Expense		-	-
Excess of Expenditure over income		(964)	(286)
Remeasurement of defined benefit obligation		3	-
Other Comprehensive Income for the year		3	-
Total Comprehensive Income for the year [Net of Tax]		(961)	(286)
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 32		

As per our report of even date

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W




Mukesh M. Shah
Partner
Membership Number: 030190
Ahmedabad, Dated: June 30, 2021




Dhwani Trivedi
Company Secretary

For and on behalf of the Board


Sujanra Rajesh
Director
DIN- 08071096

Jyotindra B. Gor
Director
DIN- 06439935

Zydus Foundation
Statement of Changes in Equity for the year ended Mar 31, 2021

a Equity Share Capital:

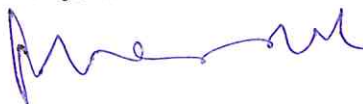
	No. of Shares	INR- Lacs
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2020	50,000	5
As at March 31, 2021	50,000	5
	50,000	5

b Other Equity:

	INR- Lacs		
	Reserves and Surplus		Total
	Building Development Reserve	Retained Earnings	
As at March 31, 2019	2,736	(1,945)	791
Less: Excess of Expenditure over income	-	(286)	(286)
Add: Contribution received during the year for specific purpose	3,279	-	3,279
As at March 31, 2020	6,015	(2,231)	3,784
Less: Excess of Expenditure over income	-	(964)	(964)
Add: Other comprehensive Income	-	3	3
Add: Contribution received during the year for specific purpose	14,069	-	14,069
As at March 31, 2021	20,084	(3,192)	16,892

As per our report of even date

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W



Mukesh M. Shah
Partner
Membership Number: 030190
Ahmedabad, Dated: June 30, 2021




Dhwani Trivedi
Company Secretary

For and on behalf of the Board


Sujatha Rajesh
Director
DIN- 08071096


Jyotindra B. Gor
Director
DIN- 06439935

Zydus Foundation
Notes to the Financial Statements

Note: 1-Company overview:

Zydus foundation ["the Company"] incorporated on January 7, 2019 under section 8 of the Companies Act, 2013 as a company limited by shares. The main activity of the Company is to run, operate and maintain medical college and hospital in rural areas. Under the Health Policy 2016 of the Government of Gujarat using the Brownfield Public Private Partnership Model, the Company is awarded rights to operate and maintain hospital in the rural area of Dahod. The financial statements are presented in Indian Rupee [INR] which is also the functional currency of the company. The registered office of the Company is situated at at "Zydus Corporate Park", Scheme No. 63, Survey No. 536 Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 481. These financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors at their meeting held on June 30, 2021

Note: 2-Significant Accounting Policies:

A The following note provides list of the significant accounting policies adopted in the preparation of these financial statements.

1 Basis of preparation:

- A** The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015
- B** The financial statements of the Company are prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3 Revenue Recognition:

A Grant/contribution:

Revenue from Grants/ contributions are recognised upon compliance with the significant condition, if any, and where it is reasonable to expect ultimate collection. Amounts received with a specific direction from donors that such amounts shall form part of the Corpus of the Foundation are recognised accordingly.

B Sale of Services:

Income from services rendered to patients in Hospital is recognised during the period in which the hospital service is provided. Revenue primarily comprises fees charged for in-patient and out-patient hospital services. Services include charges for accommodation, operation theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Hospital provides free services to the patients in terms of the conditions stipulated in the Concession agreement as directed by the Government. However, the revenues in respect of the healthcare services provided to eligible in-patients, qualifying for Government Sponsored Healthcare schemes, is recorded at the rates and in accordance with the terms of the respective applicable scheme of the Government.

C Fees Income:

Fee income is credited to the Statement of Income and Expenditure over the period in which it accrues.

D Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

4 Government Grants:

- A** Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.
- B** Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Income and expenditure over the period during which the related costs intended to be compensated are incurred.
- C** Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

5 Taxes on Income:

Tax expenses comprise of current and deferred tax.

Current Tax:

Provision for current tax has not been made in the books of accounts in view of the exemption of income of the Company under Section-11 read with Section 2 (15) of the provisions of the Income Tax Act, 1961.

6 Property, Plant and Equipment:

- A** All items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.
- B** Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.
- C** Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.
- D** Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100%.
- E** Capital work in progress is stated at cost less accumulated impairment loss, if any.
- F** An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of Income and expenditure when the asset is derecognised.



Note: 2-Significant Accounting Policies-Continued:**7 Inventories:**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is based on first-in, first out (FIFO) principle.

8 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

9 Leases:

The Company has adopted Ind AS 116 "Leases" which is effective for an annual period beginning on or after from April 1, 2019. The following is the significant accounting policy related to revenue recognition under Ind AS 116.

The adoption of this Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17. The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being April 1, 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

10 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

11 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial Assets:**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus transaction costs, in the case of financial assets not recorded at fair value through profit or loss, that are attributable to the acquisition of the financial asset. All recognised financial assets are subsequently measured at either amortised cost or fair value depending upon the classification of the financial asset.

b Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

c Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies depends on whether there has been a significant increase in credit risk.

B Financial Liabilities:**a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of Income and expenditure when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

C Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

B Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021.



Zydus Foundation
Notes to the Financial Statements

Note: 3-Property, Plant & Equipment and Intangible Assets:

							INR- Lacs
[A] Property, Plant and Equipment:							
	Buildings	Computer and data processing	Furniture and fittings	Office equipments	Plant & Machinery	Vehicles	Total
Gross Block:							
As at March 31, 2019	-	55	373	55	523	-	1,006
Addition	-	6	148	24	450	72	700
As at Mar 31, 2020	-	61	521	79	973	72	1,706
Addition	8,448	7	248	37	244	21	9,005
As at Mar 31, 2021	8,448	68	769	116	1,217	93	10,711
Depreciation and Impairment:							
As at March 31, 2019 [INR 30,910]	-	-	-	-	-	-	-
Depreciation for the year	-	19	50	17	42	5	133
As at Mar 31, 2020	-	19	50	17	42	5	133
Depreciation for the year	532	20	67	23	59	9	710
As at Mar 31, 2021	532	39	117	40	101	14	843
Net Block:							
As at Mar 31, 2021	7,916	29	652	76	1,116	79	9,868
As at Mar 31, 2020	-	42	471	62	931	67	1,573
[B] Intangible assets:							
	Software						Total
Gross Block:							
As at March 31, 2019	5						5
Addition	-						-
As at March 31, 2020	5						5
Addition	4						4
As at Mar 31, 2021	9						4
Amortisation and Impairment:							
As at March 31, 2019	1						1
Amortisation for the year	1						1
As at Mar 31, 2020	2						2
Amortisation for the year	1						1
As at Mar 31, 2021	3						3
Net Block:							
As at Mar 31, 2021	6						6
As at Mar 31, 2020	3						3

		INR- Lacs	
		As at March 31	
		2021	2020

Note: 4-Other Financial Assets:

[Unsecured, Considered Good unless otherwise stated]			
Security Deposits		82	35
Others		21	7
Total		103	42

Note: 5-Other Non-Current Assets:

Capital advances	586	4,840
Others [CY INR 25,000 PY-Nil]	-	-
Total	586	4,840

Note: 6-Inventories:

[The Inventory is valued at lower of cost and net realisable value]			
Medicines and others		92	30
Total		92	30

Note: 7 -Trade receivable:

[Unsecured, Considered Good]			
Trade receivables		102	142
Total		102	142

Note: 8-Cash and Bank Balances:

Cash and Cash Equivalents:			
Balances with Banks		472	860
Cash on Hand [CY: INR 20,591]		-	1
Total		472	861



Zydus Foundation
Notes to the Financial Statements

	INR- Lacs													
	As at March 31													
	2021	2020												
Note: 9-Other Current Financial Assets:														
Fees receivable	700	314												
Claims receivable	209	-												
Others	7	5												
Total	916	319												
Note: 10-Other Current Assets:														
[Unsecured, Considered Good]														
Prepaid Expenses	33	26												
Others	11	4												
Total	44	30												
Note: 11-Current Tax Assets:														
Advance payment of Tax [Net of provision for taxation CY - Rs. Nil]	3	-												
Total	3	-												
Note: 12-Equity Share Capital:														
Authorised:														
50,000 Equity shares of Rs. 10 each	5	5												
Issued, Subscribed and Paid-up:														
50,000 Equity shares of Rs. 10 each, fully paid up	5	5												
Total	5	5												
A Number of shares at the time of incorporation and at the end of the year														
Opening balance	50,000	50,000												
Issued during the year	-	-												
Closing balance	50,000	50,000												
B The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company.														
C Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each														
Cadila Healthcare Limited and its nominees														
Number of Shares	50,000	50,000												
% to total share holding	100.0%	100.0%												
Note: 13-Other Equity:														
Other Reserves:														
Building and Infrastructure Development Fund: [*]														
Balance as per last Balance Sheet	6,015	2,736												
Add: Contribution received during the year for specific purpose	14,069	3,279												
Balance as at the end of the year	20,084	6,015												
Retained Earnings:														
Balance as per last Balance Sheet	(2,231)	(1,945)												
Add: Excess of Expenditure over income	(964)	(286)												
Add: Other comprehensive Income	3													
Balance as at the end of the year	(3,192)	(2,231)												
Total	16,892	3,784												
[*] Building and Infrastructure development fund has been set up specifically for the purpose of construction of Property, Plant and Equipment.														
Note: 14-Borrowings:														
1850; 0.10% Listed Non-convertible debentures (unsecured) of face value of Rs.10,00,000 each	13,558	12,542												
Total	13,558	12,542												
<p>The Company had issued and allotted Unsecured Redeemable Non-convertible Debentures [NCDs] of INR 18,500 Lacs on March 24,2020 which are repayable on March 25, 2025. These NCDs are listed on the whole sale debt segment of National Stock Exchange of India Limited.</p> <p>The NCDs have been rated "BBB+" by CARE Ratings Limited ["CARE"]. This indicates "moderate degree of safety" regarding timely servicing of financial obligation. There is no change in rating of the NCDs post issuance of NCDs. The interest on NCD is not due for payment as on the date of the financial statements. The NCDs issued by the Company carries prepayment option i.e. it can be repaid in full or part with due consent from majority Debentureholders at any date before its final maturity date. As the NCDs are unsecured, the asset cover is not applicable. Value of Debenture Redemption Reserve as on March 31, 2021 is INR NIL. During the year, the Company had issued NCDs of INR 5,000 lacs, the Company had received subscription from the issue, however the company was not able to get these NCDs listed on NSE. Due to this, the Company had returned the amount so raised to the subscribers to such newly issued NCDs.</p> <p>The cumulative amount of outstanding NCDs as on March 31, 2021 of INR 18,500 Lacs is disclosed as under:</p> <p>INR 13,558 Lacs [PY INR 12,542] under the head of "Borrowings"</p> <p>INR 3,842 Lacs [PY INR 4,942] under the head of "Other Non Current Financial Liabilities" and</p> <p>INR 1,100 Lacs [PY INR 1,016] under the head of "Other current financial Liabilities"</p> <p>Following are the key ratios -</p> <table> <tr> <th></th><th>As at March 31, 2021</th><th>As at March 31, 2020</th></tr> <tr> <td>Debt Equity Ratio</td><td>1.09</td><td>4.88</td></tr> <tr> <td>Debt Service Coverage Ratio</td><td>(1.23)</td><td>(43.65)</td></tr> <tr> <td>Interest Service Coverage Ratio</td><td>(1.23)</td><td>(43.65)</td></tr> </table> <p>The Ratios have been calculated as under:</p> <p>Debt Equity Ratio = Total Borrowings / Total Equity</p> <p>Total Borrowings = As provided above</p> <p>Total Equity = Equity Share Capital + Other Equity</p> <p>Debt Service Coverage Ratio = Earnings before Finance cost, Depreciation & Amortisation and Tax / Current Maturities of Long Term Debt + Finance Cost</p> <p>Interest Service Coverage Ratio = Earnings before Finance cost, Depreciation & Amortisation and Tax / Finance cost</p>				As at March 31, 2021	As at March 31, 2020	Debt Equity Ratio	1.09	4.88	Debt Service Coverage Ratio	(1.23)	(43.65)	Interest Service Coverage Ratio	(1.23)	(43.65)
	As at March 31, 2021	As at March 31, 2020												
Debt Equity Ratio	1.09	4.88												
Debt Service Coverage Ratio	(1.23)	(43.65)												
Interest Service Coverage Ratio	(1.23)	(43.65)												



Zydus Foundation
Notes to the Financial Statements

	INR- Lacs	
	As at March 31	
	2021	2020
Note: 15-Provisions		
Provision for employee benefit	193	108
Total	193	108

Defined benefit plan and long term employment benefit

A General description:

Leave wages [Long term employment benefit]:

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service.

B Change in the present value of the defined benefit obligation:

	As at March 31, 2021			As at March 31, 2020		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
Opening obligation	5	90	33	-	-	-
Interest cost	-	5	2	-	-	-
Current service cost	2	33	29	2	30	19
Past service cost	-	-	-	3	60	14
Benefits paid	-	(2)	-	-	-	-
Actuarial [gains]/ losses on obligation due to:						
Experience adjustments	(1)	50	(3)	-	-	-
Change in financial assumptions	-	(1)	-	-	-	-
Closing obligation	6	175	61	5	90	33

C Change in the fair value of plan assets:

Opening fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Return on plan assets excluding	-	-	-	-	-	-
Interest cost	-	-	-	-	-	-
Contributions by employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Actuarial [losses]/ gains	-	-	-	-	-	-
Closing fair value of plan assets	-	-	-	-	-	-
Total actuarial [losses]/ gains to be recognised	1	(49)	3	-	-	-

D Actual return on plan assets:

Expected return on plan assets	-	-	-	-	-	-
Actuarial [losses]/ gains on plan assets	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-

E Amount recognised in the balance sheet:

Liabilities/ [Assets] at the end of the year	6	175	61	5	90	33
Fair value of plan assets at the end of the year	-	-	-	-	-	-
Difference	6	175	61	5	90	33
Liabilities/ [Assets] recognised in the Balance Sheet	6	175	61	5	90	33



Zydus Foundation
Notes to the Financial Statements

Note: 15-Provisions- continued:

	As at March 31, 2021			As at March 31, 2020		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	2	33	29	2	30	19
Past service cost	-	-	-	3	60	14
Interest cost on benefit obligation	-	5	2	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Return on plan assets exclud	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net actuarial [gains]/ losses in the year	(1)	49	-	-	-	-
Amount included in "Employee Benefit Expense"	1	87	31	5	90	33
Return of plan assets excluding amounts included in interest income	-	-	-	-	-	-
Net actuarial [gains]/ losses in the year	-	-	(3)	-	-	-
Amounts recognized in OCI	-	-	(3)	5	90	33
G Movement in net liabilities recognised in Balance sheet:						
Opening net liabilities	5	90	33			
Expenses as above [P & L Charge]	1	87	31	5	90	33
Employer's contribution	-	-	-	-	-	-
Benefits Paid	-	(2)	-	-	-	-
Amount recognised in OCI	-	-	(3)	-	-	-
Liabilities/ [Assets] recognised in the Balance sheet	6	175	61	5	90	33

H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:

Discount rate	6.50%	6.45%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]		
Annual increase in salary cost	9.00%	12% for one year and 9% thereafter
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]		

I Amount recognised in current and previous four years:

	As at March 31	
	2021	2020
Gratuity:		
Defined benefit obligation	61	33
Fair value of Plan Assets	-	-
Deficit/ [Surplus] in the plan	61	33
Actuarial Loss/ [Gain] on Plan Obligation	(3)	-
Actuarial Loss/ [Gain] on Plan Assets	-	-

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is shown below:

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31		As at March 31		As at March 31	
	2021	2020	2021	2020	2021	2020
Impact on obligation:						
Discount rate increase by 0.5%	(1)	(0)	(5)	(3)	(4)	(2)
Discount rate decrease by 0.5%	(0)	0	6	3	3	2
Annual salary cost increase by 0.5%	(0)	0	6	3	3	2
Annual salary cost decrease by 0.5%	(1)	(0)	(5)	(3)	(4)	(2)

The following payments are expected contributions to the defined benefit plan in future years:

	INR-Lacs	
	As at March 31	
	2021	2020
Within the next 12 months [next annual reporting period]	49	21
Between 2 and 5 years	82	41
Between 5 and 10 years	85	52
	216	114



Zydus Foundation Notes to the Financial Statements		
	INR- Lacs	
	As at March 31	
	2021	2020
Note: 16-Other Non Current Financial Liabilities:		
Deferred Government Grant	3,865	2,625
Caution Money Deposit	248	157
Unamortised premium on 0.10% Non-convertible debentures	3,842	4,942
Others	65	-
Total	8,020	7,724
Note: 17-Trade Payables:		
Dues to Micro and Small Enterprises [*]	-	-
Dues to other than Micro and Small Enterprises	176	57
Total	176	57
[*] Disclosure in respect of Micro and Small Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	-	-
B Interest due thereon	-	-
C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.		
Note: 18-Other current financial Liabilities:		
Unamortised premium on 0.10% Non-convertible debentures	1,100	1,016
Creditors for Capital Goods	311	2,333
Total	1,411	3,349
Note: 19-Provisions		
Provision for employee benefit	50	21
Total	50	21
Note: 20-Other current Liabilities:		
Payable to Statutory Authorities	79	182
Students fees received in advance	12	11
Total	91	193
Note: 21-Commitments [to the extent not provided for]:		
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,686	14,328



Zydus Foundation Notes to the Financial Statements		
	INR-lacs	
	Year ended March 31	
Note: 22-Revenue:	2021	2020
Sale of services	175	290
Fees income	3,168	2,527
Total	3,343	2,817
Note: 23-Other Income:		
Government Grant	850	850
Apportioned Income from Government Grant	260	-
Interest	1,018	24
Other Non-operating Income	1	1
Total	2,129	875
Note: 24-Employee Benefits Expense:		
Salaries and wages	2,714	2,208
Contribution to provident and other funds	79	158
Staff welfare expenses	1	4
Total	2,794	2,370
Note: 25-Finance Cost:		
Interest expense	1,066	23
Bank commission & charges [CY INR 34,931, PY INR 30,538]	-	-
Total	1,066	23
Note: 26-Administration and other expenses:		
Fees paid to Professionals	26	166
Housekeeping Expenses	369	297
Security Expenses	198	170
Power and fuel expenses	122	148
Medical disposable and consumable expenses	463	290
Advertisement Expenses [CY: INR 27,972]	-	3
Canteen Expenses	56	50
Computer and Internet Expenses	13	6
Effluent Treatment Expenses	24	9
Fuel Expenses	16	16
Legal & professional Expenses	1	2
Misc. & Other Expenses	411	127
Printing & Stationary Expenses	17	19
Rent Expenses	42	41
Repairs and Maintenance-Building	34	32
Repairs and Maintenance Expense- Others	26	24
Travelling Expenses	13	19
University Affiliation Fees	25	26
Books and periodicals	9	6
Total	1,865	1,451
Misc. & other expenses include:		
Payment to the Statutory Auditors (excluding GST):		
- As Auditor	3	2
- For Other Services	-	-
- Total	3	2



Zydus Foundation
Notes to the Financial Statements

Note 27: -Related Party Transactions:

A Name of the Related Parties and nature of the related party relationship with whom transactions have taken place:

a Holding company : Cadila Healthcare Limited

b Fellow subsidiaries/ entities :

Zydus Healthcare Limited	Zydus Healthcare (USA) LLC [USA]
German Remedies Pharmaceuticals Private Limited	ZyVet Animal Health Inc. [USA]
Zydus Wellness Limited	Sentynl Therapeutics Inc. [USA]
Zydus Wellness Products Limited	Zydus Noveltch Inc. [USA]
Liva Nutritions Limited	Hercon Pharmaceuticals LLC [USA]
Liva Investment Limited	Viona Pharmaceuticals Inc. [USA]
Zydus Animal Health and Investments Limited	Zydus Therapeutics Inc. [USA]
Dialforhealth Unity Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Dialforhealth Greencross Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Violio Healthcare Limited	Script Management Services (Pty) Ltd [South Africa]
Zydus Pharmaceuticals Limited	Zydus France, SAS [France]
Biochem Pharmaceutical Private Limited	Laboratorios Comib S.L. [Spain]
Zydus Strategic Investments Limited	Etna Biotech S.R.L. [Italy]
Zydus VTEC Limited	Zydus Nikkho Farmaceutica Ltda. [Brazil]
M/s. Recon Pharmaceuticals and Investments, a partnership firm	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Zydus Healthcare Philippines Inc. [Philippines]	Zydus Worldwide DMCC [Dubai]
Zydus Lanka (Private) Limited [Sri Lanka]	Zydus Discovery DMCC [Dubai]
Zydus International Private Limited [Ireland]	Zydus Wellness International DMCC [Dubai]
Zydus Netherlands B.V. [the Netherlands]	Windlas Inc [USA]
Zydus Pharmaceuticals (USA) Inc. [USA]	
Nesher Pharmaceuticals (USA) LLC [USA]	

c Joint Venture Companies:

Zydus Hospira Oncology Private Limited	Zydus Takeda Healthcare Private Limited
Bayer Zydus Pharma Private Limited	US Pharma Windlas LLC

d Enterprises significantly influenced by Directors and their relatives of company and its Holding Company

Zydus Infrastructure Private Limited	Cadmach Machinery Company Private Limited
Zest Aviation Private Limited	

e Key managerial personnel

Pankaj R. Patel	Director	Jyotindra B. Gor	Director
Dr. Sharvil P. Patel	Director	Sujatha Rajesh	Director

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note 27-A [a, b, c & d]

Nature of Transactions	Value of the Transactions [INR - Lacs]			
	Holding, Subsidiary Companies & Joint venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,			
	2021	2020	2021	2020
Debentures issued:				
M/s. Recon Pharmaceuticals and Investments	-	18,500	-	
Loans accepted				
Zydus Infrastructure Private Limited	-	-	4,850	-
Loans repaid				
Zydus Infrastructure Private Limited			4,850	
Interest paid:				
Zydus Infrastructure Private Limited			5	
M/s. Recon Pharmaceuticals and Investments			46	
M/s. Recon Pharmaceuticals and Investments- Interest Ind AS adjustment			1,016	
Interest Income:				
M/s. Recon Pharmaceuticals and Investments- Interest Ind AS adjustment			1,018	
CSR contribution:				
Cadila Healthcare Limited	7,854	2,199		
Zydus Healthcare Limited	2,447	530		
Zydus Wellness Limited	148	165		
German Remedies Pharma Pvt Ltd	285			
Others	201	253	102	83
	10,935	3147	102	83
Outstanding:				
Payable:				
M/s. Recon Pharmaceuticals and Investments	18,500	18,500		



Zydu Foundation
Notes to the Financial Statements

Note: 28-Financial Instruments:

Fair values:

Financial Assets:

The carrying amounts of trade receivables, loans and advances to related parties, other financial assets and cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

Note: 29-Financial Risk Management:

A Financial instruments by category:

	INR- Lacs			
	As at March 31, 2021		As at March 31, 2020	
	Amortised Cost	Total	Amortised Cost	Total
Financial assets:				
Non Current Other Financial Assets	103	103	42	42
Trade receivable	102	102	142	142
Cash and Cash Equivalents	472	472	861	861
Other Current Financial Assets	916	916	319	319
Total	1,593	1,593	1,364	1,364
Financial liabilities:				
Borrowings	13,558	13,558	12,542	12,542
Other Non-Current Liabilities	8,020	8,020	7,724	7,724
Trade payables	176	176	57	57
Other Current Financial Liabilities	1,411	1,411	3,349	3,349
Total	23,165	23,165	23,672	23,672

B Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long term cash flows by minimizing the exposure to volatile financial markets. The company's capital management is intended to create optimum value by facilitating meeting of long term and short term goals of the Company. The most significant financial risks to which the Company is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Company is exposed to credit risk from trade receivables. The Company deals with recognized and credit worthy third parties and Government authorities. Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

b Liquidity risk:

- Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.
- Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet its obligations. The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	As at March 31, 2021			As at March 31, 2020		
	< 1 year	1- 5 years	Total	< 1 year	1- 5 years	Total
Non-derivative Financial Liabilities:						
Borrowings	-	13,558	13,558	-	12,542	12,542
Other non current financial liabilities	-	8,020	8,020	-	7,724	7,724
Trade payable	176	-	176	57	-	57
Other Current Financial Liabilities	1,411	-	1,411	3,349	-	3,349
Total	1,587	21,578	23,165	3,406	20,266	3,406

c Interest rate risk:

The sensitivity analysis have been determined based on the exposure to interest rates for financials assets and liabilities at the end of the reporting period. The Company does not have variable rate instruments as at the balance sheet date. This mitigates the interest rate risk.



Zydus Foundation
Notes to the Financial Statements

Note: 30- Earning Per Share

The Company is incorporated as a Section 8 Company in terms of provisions of the Companies Act, 2013 to promote the objects to establish, run, manage, maintain hospitals etc., establishing educational institutions including for medical science and to carry on research and development activities in the areas of education and carry out other charitable activities and to apply its profits, if any, or other income in promoting the said charitable objects. In terms of the provisions of the Companies Act and its Memorandum of Association [MoA], the Company is prohibited from the payment of any dividend to its members. In terms of the provisions of the said section, the income and properties of the company whensoever derived, is required to be applied solely for the promotion of the charitable objects as set forth in its MOA and that no portion thereof is allowed to be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise by way of profit, to persons who at any time are or have been members of the company.

Even, in the event of winding up or dissolution of the Company, if there remains, after the satisfaction of all debts and liabilities, any property whatsoever, the same is not allowed to be distributed amongst the members of the Company but is mandatorily to be given or transferred to such other company having object similar to the objects of the Company subject to such conditions as the Tribunal may import or may be sold and proceeds thereof credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

As there is no earnings attributable to the shareholders, the Company, therefore, has not disclosed earnings/ losses per share.

Note: 31- Covid 19 Impact

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into partial or full lockdown situation, impacting business operations across various sectors with severe restrictions on movement of people and goods. The Company has implemented several initiatives across its business locations including social distancing at work places and proper sanitization of work places etc. for ensuring safety of its employees and continuity of its business operations with minimal disruption. As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial results by the Board of Directors, the Company believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

Note 32:

Amounts have been rounded off to the nearest rupees lacs and previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary to confirm to the current presentation.

Signatures to Significant Accounting Policies and Notes 1 to 32 to the Financial Statements

As per our report of even date

Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W



Mukesh M. Shah

Partner

Membership Number: 030190

Ahmedabad, Dated: June 30, 2021



Dhwanii Trivedi
Company Secretary

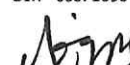
For and on behalf of the Board



Sujatha Rajesh

Director

DIN- 08071096



Jyotindra B. Gor

Director

DIN- 06439935

Zydus Foundation

Cash Flow Statement for the year ended March 31, 2021

Particulars	INR-Lacs	
	Year ended Mar 31	
	2021	2020
A Cash flows from operating activities:		
[Loss] before tax	(964)	(286)
Adjustments for:		
Depreciation and amortisation expense	711	134
Provision for employee benefit	117	129
Interest [Net]	48	(1)
Total	876	262
Operating [Loss] before working capital changes	(88)	(24)
Adjustments for:		
[Increase] in Inventories	(62)	(10)
Decrease/[Increase] in Trade receivable	40	(98)
Decrease/[Increase] in other Non current assets	4,193	(4,796)
[Increase]/Decrease in Other Current assets	(611)	863
Increase/[Decrease] in Trade Payables	119	(302)
Increase in Other Non Current Liabilities	1,395	1,658
[Decrease] in Other Current Liabilities	(2,123)	(610)
Total	2,951	(3,295)
Cash generated from operations	2,863	(3,319)
Direct taxes paid [Net of refunds]	(3)	-
Net cash from operating activities	2,860	(3,319)
B Cash flows from investing activities:		
Purchase of property, plant and equipment and CWIP	(17,270)	(18,144)
Contribution received for specific purpose	14,069	3,279
Interest [Net]	(48)	1
Net cash [used in] investing activities	(3,249)	(14,864)
C Cash flows from financing activities:		
Issue of Non convertible debentures	-	18,500
Net cash from financing activities	-	18,500
Net [Decrease]/Increase in cash and cash equivalents	(389)	317
Cash and cash equivalents at the beginning of the year	861	544
Cash and cash equivalents at the end of the year	472	861

Notes to the Cash Flow Statement

- The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents comprise of:

	Year ended Mar 31	
	2021	2020
a Cash on Hand [CY INR 20,591]	-	1
b Balances with Banks	472	860
c Total	472	861

As per our report of even date

Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W



Mukesh M. Shah

Partner

Membership Number: 030190

Ahmedabad, June 30, 2021




Dhwani Trivedi
Company Secretary

For and on behalf of the Board


Sujatha Rajesh
Director
DIN- 08071096


Jyotindra B. Gor
Director
DIN- 06439935

