



# GLAND PHARMA LIMITED

August 08, 2023

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> floor, Dalal Street  
Mumbai - 400 001  
Scrip Code: 543245

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, 5th floor  
Plot no. C-1, Block G, Bandra Kurla Complex Bandra  
(East), Mumbai - 400 051  
Symbol: GLAND (ISIN: INE068V01023)

Dear Sir/Madam,

**Subject: Notice of the 45<sup>th</sup> Annual General Meeting (AGM) along with copy of Annual Report for the year ended March 31, 2023**

This is in continuation to our intimation dated May 18, 2023 wherein the Company had intimated of the 45<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Thursday, August 31, 2023 at 11.00 AM IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

In accordance with Section 108 of the Companies Act, 2013, Secretarial Standard- 2 and Regulations 30, 34 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the following:

1. Notice of the 45<sup>th</sup> Annual General Meeting (including e-voting instructions)
2. Annual Report for FY 2022-23

The aforesaid documents are available on the Company's website at <https://glandpharma.com/investors/annual-report> and are being dispatched to all eligible shareholders whose email IDs are registered with the Company / Depositories.

The Company is pleased to provide to its members the facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. Only those, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e., Thursday, August 24, 2023, shall be entitled to avail the e-voting facility.

The remote e-voting facility commences on Monday, August 28, 2023 from 9.00 AM (IST) and ends on Wednesday, August 30, 2023 at 5.00 PM (IST).

The facility for voting through the e-voting system will also be made available during the AGM. Members attending the AGM through VC / OAVM facility who have not cast their vote by remote e-voting will be able to vote during the AGM.

The manner of remote e-voting for members holding shares in dematerialised and physical modes as well as for members who have not registered their email IDs is provided in the notes to the Notice of the AGM.

This is for your information and records.

Yours truly,

**For Gland Pharma Limited**

**P Sampath Kumar**  
**Company Secretary and Compliance Officer**

Encl: As mentioned above.

**Regd. Office:**

Survey No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads  
D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal  
Medchal-Malkajgiri District, Hyderabad 500043, Telangana, India  
Tel: +91-40-30510999 Fax: +91-40-30510800

**Corporate Office:**

Plot No. 11 & 84, TSIC Phase: IV  
Pashamylaram (V), Patancheru (M), Sangareddy District  
Hyderabad 502307, Telangana, India  
Tel: +91-8455-699999



GLAND PHARMA LIMITED

## NOTICE

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the Members of Gland Pharma Limited will be held on Thursday, August 31, 2023 at 11.00 A.M (IST) through video conferencing (VC)/ other audio-visual means (OAVM) to transact the following business:

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### Ordinary Business:

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2023; the Statement of Profit and Loss, Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date along with the Schedules and Notes thereto, together with the Reports of the Board of Directors and Auditors thereon.

**"RESOLVED THAT** the audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2023; the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date along with the Schedules and Notes thereto and the reports of the Board of Directors and Auditors thereon as circulated to the Members with the Notice of the Annual General Meeting and submitted to this Meeting be and are hereby, considered and adopted."

2. To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 including the Audited Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023; the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date along with the Schedules and Notes thereto, together with the Report of the Auditors thereon.

**"RESOLVED THAT** the audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 including the Audited Consolidated Balance sheet as at 31<sup>st</sup> March, 2023; the Consolidated Statement of Profit and Loss, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date along with the Schedules and Notes thereto and the report of Auditors thereon as circulated to the Members with the Notice of the Annual General Meeting and submitted to this Meeting be and are hereby considered and adopted."

3. To reappoint Mr. Srinivas Sadu as a Director, liable to retire by rotation and being eligible, offers himself for reappointment.

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013; Mr. Srinivas Sadu (DIN: 06900659), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company liable to retire by rotation."

4. To reappoint Dr. Jia Ai Zhang as a Director, liable to retire by rotation and being eligible, offers himself for reappointment.

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013; Dr. Jia Ai Zhang (DIN: 09170927), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company liable to retire by rotation."

5. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S) as Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit & Auditors) Rules, 2014 and such other applicable provisions, if any, of the Act or Rules framed thereunder including any statutory enactment or modification thereof and pursuant to the recommendation of the Audit Committee, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), the retiring auditors, to hold office from the conclusion of this 45<sup>th</sup> Annual General Meeting until

the conclusion of 50<sup>th</sup> Annual General Meeting of the Company, at such remuneration as may be decided by the Board of Directors of the Company on an annual basis."

**By Order of the Board of Directors**

**Sampath Kumar Pallerlamudi**

Company Secretary

Membership No. A17901

Place: Hyderabad

Date: 01.08.2023

**Registered Office Address:**

**Gland Pharma Limited**

Survey No. 143-148, 150 & 151

Near Gandimaisamma 'X' Roads

D.P. Pally, Dundigal Gandimaisamma Mandal

Medchal-Malkajgiri District

Hyderabad 500 043, Telangana, India

CIN: L24239TG1978PLC002276

Tel: 040-30510999, Fax:040-30510800

Email:[gland@glandpharma.com](mailto:gland@glandpharma.com)

Website: <https://glandpharma.com/>



## Notes:

- 1) The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are annexed.
- 2) Pursuant to General Circulars No. 14/2020 dated April 8, 2020; No. 17/2020 dated April 13, 2020; No. 20/2020 dated May 5, 2020; No. 22/2020 dated June 15, 2020; No. 33/2020 dated September 28, 2020; No. 39/2020 dated December 31, 2020; No. 02/2021 dated January 13, 2021; No.10/2021 dated June 23, 2021; No.20/2021 dated December 8, 2021; No.02/2022 dated May 05, 2022 and No.10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (hereinafter referred to as "MCA Circulars"), and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021; SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, issued by the Securities and Exchange Board of India (collectively referred to as 'the Circulars'); companies are permitted to hold the AGM through VC/OAVM, without the physical presence of the members at a common venue. Accordingly, the 45<sup>th</sup> AGM of the Company will be convened through VC/OAVM in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder, Listing Regulations read with the aforesaid Circulars. The deemed venue for the 45<sup>th</sup> AGM shall be the Corporate Office of the Company i.e., Plot No.11& 84, TSIC, Phase-IV, Pashamylaram (V), Patancheru (M), Sangareddy District, Hyderabad 502 307, Telangana.
- 3) In accordance with the applicable Circulars, the Company is providing VC/OAVM to its Members to attend the 45<sup>th</sup> AGM. The facility for attending the AGM virtually will be made available for 1000 members on a first-come-first-served basis. However, please note that pursuant to the applicable Circulars, large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, auditors, etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle.
- 4) The VC/OAVM facility for members to join the Meeting shall be kept open 30 minutes before the start of the AGM and shall be closed on expiry of 30 minutes after the conclusion of the AGM. Members can attend the AGM through VC/OAVM by following the instructions mentioned in this Notice.
- 5) The facility for appointment of proxies by members is not available as the AGM will be held through VC/OAVM and physical attendance of the members is dispensed with pursuant to the aforesaid Circulars. Hence, the route map, proxy form and attendance slip are not annexed to this Notice.
- 6) Institutional/Corporate members whose authorized representatives are intending to attend the meeting are requested to send to the Company at [investors@glandpharma.com](mailto:investors@glandpharma.com), a certified copy of the board resolution / Power of Attorney/Authority Letter, etc. authorizing such representative to attend the AGM through VC/OAVM, and cast their votes through e-voting.
- 7) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 8) The statutory registers including the Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested, maintained under the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the Company by sending e-mail to [investors@glandpharma.com](mailto:investors@glandpharma.com).
- 9) In accordance with the aforesaid Circulars, the Notice of the 45<sup>th</sup> AGM along with the Annual Report for the financial year ended March 31, 2023 is being sent only through electronic mode to those members who have registered their e-mail addresses with the Company/ Depository Participants. Members may note that the Notice of the 45<sup>th</sup> AGM and the Annual Report are also available on the Company's website: [www.glandpharma.com](http://www.glandpharma.com). The Notice of AGM and Annual Report will also be available on website of LINKINTIME (<https://instavote.linkintime.co.in>) and on the website of Stock Exchanges ([www.bseindia.com](http://www.bseindia.com)) and ([www.nseindia.com](http://www.nseindia.com)).
- 10) In accordance with the aforesaid Circulars, no physical copy of the Notice of the 45<sup>th</sup> AGM and the Annual Report for the financial year ended March 31, 2023 is being sent to members who have not registered their e-mail addresses with the company/depository participants. Digital copy of the Annual Report has been sent to those members whose e-mail addresses are registered with the Company/ Depository Participants.
- 11) In accordance with the Circulars, members who have not registered their e-mail address may register their e-mail address with their Depository Participant or send their consent at [investors@glandpharma.com](mailto:investors@glandpharma.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) along with their Folio No./DP ID Client ID and valid e-mail address for registration.
- 12) Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Listing Regulations and the aforesaid Circulars, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this Notice. The

detailed instructions for e-voting and attending the AGM through VC/OAVM are given as a separate attachment to this Notice.

- 13) Members, desiring any information relating to the financials from the Management or the Statutory Auditors, are requested to write to the Company at [investors@glandpharma.com](mailto:investors@glandpharma.com) at an early date.
- 14) A certificate from the Secretarial Auditors of the Company certifying that the Company's 'Gland Pharma Employees Stock Option Scheme, 2019' is being implemented in accordance with the SEBI Regulations and the resolution passed by the members, is required to be placed at the AGM. Such certificate will be available for inspection by the members in electronic mode before and during the AGM. Members who wish to inspect the certificate are requested to write to the Company by sending an e-mail to [investors@glandpharma.com](mailto:investors@glandpharma.com).
- 15) Members are requested to intimate immediately, any change in their address to their Depository Participants with whom they are maintaining their Demat accounts. If the shares are held in physical form, change in address has to be intimated to the Company's Registrar and Transfer Agent (RTA), Link Intime India Private Limited, C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India. Tel : +91-22-4918 6000, Fax: +91-22-4918 6060, e-mail ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
- 16) SEBI has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding shares in physical form should submit their PAN to the Company or its RTA.
- 17) SEBI vide its Circular dated November 3, 2021 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form are requested to submit their PAN, KYC details and Nomination details by sending Form ISR-1 and/ or related documents mentioned therein to the RTA. In terms of the said Circulars, the folios wherein any of the above document(s)/details are not available on or after October 1, 2023, shall be frozen by the RTA. The security holder(s) whose folio(s) have been frozen shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the complete documents/ details, as above. Further, any payment including dividend, interest or redemption payment in respect of such frozen folios, shall be only through electronic mode with effect from April 1, 2024.

As per the said Circulars, the frozen folios are required to be referred by the RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December

31, 2025. Further, the physical shareholders are requested to ensure that their PAN is linked to Aadhaar, if not already done, to avoid freezing of folio.

- 18) Regulation 40 of the Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be affected only in demat mode. Further, SEBI, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect shall issue the securities only in demat mode while processing investor service requests pertaining to the issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this and as also to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to demat mode.
- 19) Your Company is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the live proceedings of AGM by logging on the InstaVote system at <https://instameet.linkintime.co.in/>, using their secure login credentials. Members are encouraged to use this facility of the live webcast. The webcast facility will be available from AGM start time i.e., 11:00 A.M. (IST) onwards on 31<sup>st</sup> August, 2023.
- 20) Since the AGM will be held through VC/ OAVM pursuant to the Circulars, the proxy form, attendance slip and route map are not annexed to this Notice.
- 21) Members are hereby informed that for addressing the unresolved disputes pertaining to or emanating from investor services between listed company / RTAs offering services on behalf of the listed company and its shareholders, SEBI vide circular dated May 30, 2022 read with Circular dated April 8, 2022, introduced Standard Operating Procedure to be followed under the Stock Exchange arbitration process. The mechanism can be initiated only post exhausting all actions for resolution of complaints including those received through the SCORES portal.

**By Order of the Board of Directors**

**Sampath Kumar Pallerlamudi**

Place: Hyderabad  
Date: 01.08.2023

Company Secretary  
Membership No. A17901

**Registered Office Address:**

**Gland Pharma Limited**

Survey No. 143-148, 150 & 151  
Near Gandimaisamma 'X' Roads  
D.P. Pally, Dundigal Gandimaisamma Mandal  
Medchal-Malkajgiri District  
Hyderabad 500 043, Telangana, India  
CIN: L24239TG1978PLC002276  
Tel: 040-30510999, Fax:040-30510800  
Email:[gland@glandpharma.com](mailto:gland@glandpharma.com)  
Website: <https://glandpharma.com/>

## DETAILS OF THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED, AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS) AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)

### ITEM NO. 3:

**To reappoint Mr. Srinivas Sadu as a Director, liable to retire by rotation and being eligible, offers himself for reappointment.**

Mr. Srinivas Sadu is the MD and CEO of your Company. He holds a Bachelor's degree in Pharmacy from Gulbarga University, a Master's degree in Science from Long Island University, New York and a Master's degree in Business Administration from University of Baltimore. He also holds a Post Graduate certificate in Finance and Management from the London School of Business and Finance.

Mr. Srinivas Sadu has over 24 years of experience in business development, manufacturing operations, supply chain management and strategic planning. After working with Natco Pharma for a brief stint, he has been associated with Gland Pharma Limited for the last 23 years. He joined the Company as General Manager (Exports) in the year 2000 and later took roles of Senior General Manager (Exports), Vice-President (Exports) and Director (Business Development). He was also the Whole-time Director of the Company from June, 2014 to October, 2017. He was the Chief Operating Officer of the Company from April 30, 2011 to April 25, 2019. He was appointed as the MD and CEO with effect from April 25, 2019 for a period of three years. He was reappointed as MD and CEO for a further period of five years with effect from April 25, 2022.

He is presently Managing Director and CEO of Gland Pharma Limited and Chairman of the Corporate Social Responsibility Committee and member of Risk Management Committee, Stakeholders' Relationship Committee and Share Transfer Committee (SRC).

He retires by rotation at the 45<sup>th</sup> AGM of the Company, and being eligible, offers himself for reappointment. The Company has received an intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014; from Mr. Srinivas Sadu to the effect that he is not disqualified in accordance with Section 164(2) of the Companies Act, 2013 and a declaration that he is not debarred or restrained from acting as a director by any order of SEBI or by any other such authority.

Mr. Srinivas Sadu is neither a director in any of the listed companies nor resigned from any listed company during the past three years. The last drawn remuneration of Mr. Srinivas Sadu is ₹ 67.39 Mn (including Variable Pay) and ₹ 199.68 Mn (Perquisite value on exercise of ESOPS during FY 2022-23 granted to him during FY 2019-20).

Mr. Srinivas Sadu has attended 8 Board meetings held during FY 2022-2023 and all other Committee Meetings in which he is a Chairman and member. Mr. Srinivas Sadu does not hold any equity shares in the Company as on 31<sup>st</sup> March, 2023.

Mr. Srinivas Sadu is not related to any Director /Key Managerial Personnel of the Company. Except Mr. Srinivas Sadu, none of the other directors or key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice. The Board recommends the resolution set forth in item no. 3 of the Notice for approval of the members.

### ITEM NO. 4:

**To reappoint Dr. Jia Ai Zhang as a Director, liable to retire by rotation and being eligible offers himself for reappointment.**

Dr. Jia Ai Zhang completed his Doctorate (Ph.D) in Pharmaceutics from Oregon State University and had worked on Vaccine Development and Oral Vaccine Delivery System Design & Optimization. He has a Bachelor's degree in Pharmacy from Shanghai Medical University/Fudan University, College of Pharmacy, Shanghai, China.

Dr. Jia Ai Zhang had worked as a Sr. Vice President with Shanghai Fosun Pharma Development Co, Ltd. and Executive President, Global R&D Center. He was also a Director in Guilin Pharma, Yao Pharma, Novelstar Pharmaceuticals Inc., Tridem Pharma Shanghai Limited and few other Companies of Fosun Pharma group.

He was first appointed on the Board of Directors of the Company on 17<sup>th</sup> May, 2021. He is presently Non- Executive Director of the Company and a Member of the Corporate Social Responsibility Committee (appointed w.e.f. 20<sup>th</sup> July, 2022) of the Company.

He retires by rotation at the 45<sup>th</sup> AGM of the Company, and being eligible, offers himself for reappointment. The Company has received an intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014; from Dr. Jia Ai Zhang to the effect that he is not disqualified in accordance with Section 164(2) of the Companies Act, 2013 and a declaration that he is not debarred or restrained from acting as a director by any order of SEBI or by any other such authority.

Dr. Jia Ai Zhang is neither a director in any of the listed companies nor resigned from any listed company during past three years in India. As he is a Non- Executive Director of the Company, he does not draw any remuneration from the Company.

Dr. Jia Ai Zhang has attended 8 Board meetings held during FY 2022-2023 and all other Committee Meetings in which he is a member. Dr. Jia Ai Zhang does not hold any equity shares in the Company as on 31<sup>st</sup> March, 2023.

Dr. Jia Ai Zhang is not related to any Director /Key Managerial Personnel of the Company. Except Dr. Jia Ai Zhang, none of the other directors or key managerial personnel of the Company

and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice. The Board recommends the resolution set forth in item no. 4 of the Notice for approval of the Members.

**ITEM NO. 5:**

**To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registration No. 008072S) as Statutory Auditors of the Company and fix their remuneration.**

At the 40<sup>th</sup> Annual General Meeting of the Company held on September 17, 2018; the Members approved the appointment of M/s. S.R. Batliboi & Associates L.L.P., Chartered Accountants, (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 45<sup>th</sup> AGM. The term of M/s. S.R. Batliboi & Associates L.L.P will be expiring at the conclusion of the ensuing 45<sup>th</sup> Annual General Meeting (AGM) of the Company. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., and on completion of the term of M/s. S.R. Batliboi & Associates L.L.P, the Board of Directors of the Company has, based on the recommendation of the Audit Committee, proposed the appointment of Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registration No. 008072S), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of 45<sup>th</sup> Annual General Meeting till the conclusion of 50<sup>th</sup> Annual General Meeting of the Company, at a remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors. Deloitte Haskins & Sells, have consented to

their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

Deloitte Haskins & Sells ('DHS') was constituted in 1998 and is registered with the Institute of Chartered Accountants of India (ICAI) with Registration No. 008072S and is a part of Deloitte Haskins & Sells & Affiliates being the Network of Firms registered with the ICAI. The registered office of DHS is ASV Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai – 600 017, India.

The Board recommends the resolution set forth in item no. 5 of the Notice for approval of the members.

**By Order of the Board of Directors**

**Sampath Kumar Pallerlamudi**

Company Secretary

Membership No. A17901

Place: Hyderabad

Date: 01.08.2023

**Registered Office Address:**

**Gland Pharma Limited**

Survey No. 143-148, 150 & 151

Near Gandimaisamma 'X' Roads

D.P. Pally, Dundigal Gandimaisamma Mandal

Medchal-Malkajgiri District

Hyderabad 500 043, Telangana, India

CIN: L24239TG1978PLC002276

Tel: 040-30510999, Fax:040-30510800

Email: [gland@glandpharma.com](mailto:gland@glandpharma.com)

Website: <https://glandpharma.com/>

## Annexure-I

**Details of the Directors proposed to be appointed / re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings are as given below:**

(A)

<b>Name</b>	Mr. Srinivas Sadu
<b>DIN</b>	06900659
<b>Age</b>	54 Years
<b>Qualification</b>	<ul style="list-style-type: none"><li>• Bachelor Degree in Pharmacy (B. Pharmacy) from Gulbarga University</li><li>• Master's in Industrial Pharmacy from Long Island University (New York)</li><li>• Master's in Business Administration in Marketing from University of Baltimore (Maryland)</li><li>• Post Graduate Certificate in Finance and Management from London School of Business (London).</li></ul>
<b>Experience (including expertise in specific functional area)/ Brief Resume</b>	As mentioned in the above Explanatory Statement
<b>Terms and Conditions of Reappointment</b>	As per the resolution at Item No.3 of the Notice of the 45 <sup>th</sup> Annual General Meeting.
<b>Remuneration last drawn (including sitting fees, if any)</b>	₹ 67.39 Mn (Fixed Pay and Variable Pay) ₹ 199.68 Mn (Perquisite value on exercise of ESOPS during FY 2022-23 granted to him during FY 2019-20)
<b>Remuneration proposed to be paid</b>	Not applicable
<b>Date of first appointment on the Board</b>	17/06/2014 (Whole- time Director from June, 2014 to October, 2017) Appointed as MD & CEO w.e.f 25/04/2019 for a period of three years and reappointed from 25 <sup>th</sup> April, 2022 till 24 <sup>th</sup> April, 2027.
<b>Shareholding in the Company as on 31<sup>st</sup> March 2023</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Not related to any Director /Key Managerial Personnel
<b>Number of meetings of the Board attended during the year (FY 2022-23)</b>	8
<b>Directorships of other Boards as on 31<sup>st</sup> March, 2023</b>	Sadu Advisory Services Private Limited
<b>Membership/ Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2023</b>	Nil

(B)

<b>Name</b>	Dr. Jia Ai Zhang
<b>DIN</b>	09170927
<b>Age</b>	52 Years
<b>Qualification</b>	<ul style="list-style-type: none"> <li>Bachelor's degree in pharmacy from Shanghai Medical University/Fudan University, College of Pharmacy, Shanghai, China.</li> <li>Doctorate (Ph.D) in Pharmaceutics from Oregon State University and had worked on Vaccine Development and Oral Vaccine Delivery System Design &amp; Optimization.</li> </ul>
<b>Experience (including expertise in specific functional area)/ Brief Resume</b>	As mentioned in the above Explanatory Statement
<b>Terms and Conditions of Reappointment</b>	As per the resolution at Item No.4 of the Notice of the 45 <sup>th</sup> Annual General Meeting.
<b>Remuneration last drawn (including sitting fees, if any)</b>	Dr. Jia Ai Zhang is a Non- Executive Director of the Company, he does not draw any remuneration from the Company.
<b>Remuneration proposed to be paid</b>	Not applicable
<b>Date of first appointment on the Board</b>	He was first appointed on the Board on 17 <sup>th</sup> May, 2021
<b>Shareholding in the Company as on 31<sup>st</sup> March 2023</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Not related to any Director /Key Managerial Personnel
<b>Number of meetings of the Board attended during the year (FY 2022-23)</b>	8
<b>Directorships of other Boards as on 31<sup>st</sup> March, 2023</b>	Nil
<b>Membership/ Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2023</b>	Nil

## INSTRUCTIONS FOR E-VOTING

In compliance with Regulation 44 of the SEBI Listing Regulations, SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020; Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) thereunder and MCA Circulars issued in this regard, the Company is pleased to provide remote e-voting facility to members to cast their vote on all resolutions set forth in the notice convening the 45<sup>th</sup> Annual General Meeting (AGM) to be held on Thursday, the 31<sup>st</sup> August, 2023 at 11.00 a.m.(IST). The Company has engaged the services of Link Intime India Private Limited (LINKINTIME) for the purpose of providing remote e-voting facility to its members.

The remote e-voting facility is available at the following link: <https://instavote.linkintime.co.in/>. The e-voting event number (EVEN) and period of remote e-voting are set out below:

<b>EVEN</b>	<b>Commencement of remote e-voting</b>	<b>End of remote e-voting</b>
230302	Monday, August 28, 2023 at 9.00 am (IST)	Wednesday, August 30, 2023 at 5.00 pm (IST)

The remote e-voting module shall be disabled by LINKINTIME for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e., Thursday, August 24, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

Please read the instructions printed below before exercising your vote. The details and instructions for e-voting and participation at the AGM through VC / OAVM form an integral part of this notice of the 45<sup>th</sup> AGM to be held on August 31, 2023.

**Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:**

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"><li>Existing IDeAS user can visit the e-Services website of NSDL Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name i.e., LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</li><li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e., LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li></ol>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"><li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li><li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see the e-Voting page of the e-Voting service provider i.e., LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li><li>If the user is not registered for Easi/Easiest, the option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li><li>Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e., LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period</p>

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -
  - A. User ID:
 

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

*\*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

*\*Shareholders holding shares in NSDL form, shall provide 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%^\*), at least one numeral, at least one alphabet and at least one capital letter).
  - Click "confirm" (Your password is now generated).
3. Click on 'Login' under **'SHARE HOLDER'** tab.
  4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on **'Submit.'**

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e., Favour / Against, click on **'Submit.'** A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes,' else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>



- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e., Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

#### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event."

#### **Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & click on "**Login**".
  - Select the "**Company**" and '**Event Date**' and register with your following details: -

**A. Demat Account No.** or Folio No: Enter your 16-digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/ Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

#### **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholders may ask questions to the panelist via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

#### **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote."
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e., "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e., Favour/Against as desired and you have decided to vote, click on "Save". A

confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for a better experience.

Shareholders/ Members are required to use the Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**Process for those members whose e-mail IDs are not registered with the Depositories/Company for procuring User ID and Password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:**

- a) In case shares are held in physical mode please provide Folio No., name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar card) by e-mail to [investors@glandpharma.com](mailto:investors@glandpharma.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- b) In case shares are held in demat mode, please provide DP ID & Client ID (16 digit DP ID & Client ID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar card) to [investors@glandpharma.com](mailto:investors@glandpharma.com). If you are an individual member holding securities in demat mode, you are requested to refer to login method for e-voting and joining virtual meeting for individual members holding securities in demat mode as detailed above.
- c) In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual

members holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Members are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

**General instructions**

- a) The remote e-voting period commences on Monday, August 28, 2023, (9.00 am IST) and ends on Wednesday, August 30, 2023, (5.00 pm IST). During this period, members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, August 24, 2023, may cast their votes electronically. The remote e-voting module shall be disabled by LINKINTIME for voting hereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
- b) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice of AGM and holds shares as on the cut-off date i.e., Thursday, August 24, 2023 may refer to the remote e-voting instruction to the cast the vote.
- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d) The facility for voting through electronic voting system shall be made available during the AGM and only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- e) The voting rights of members shall be in proportion to the shares held by them, of the paid-up equity share capital of the company as on the cut-off date of Thursday, August 24, 2023.
- f) The Board of Directors of the Company has appointed Mr. G.V.S. Ravi Kumar, Company Secretary in Practice, RVR & Associates, Company Secretaries as the Scrutinizer to scrutinize the voting through electronic means during AGM and remote e-voting process in a fair and transparent manner.
- g) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of scrutinizer, order voting through electronic means for all those members who are present at the AGM through VC/OAVM but have not cast their votes electronically using the remote e-voting facility.
- h) Immediately after the conclusion of voting at the AGM, the scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in



the employment of the Company. The scrutinizer shall prepare a consolidated scrutinizer's report of the total votes cast in favor or against, if any, not later than two working days after the conclusion of the AGM. This report shall be made to the Chairman, or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.

- i) The voting results declared along with the scrutinizer's report shall be placed on the Company's website [www.glandpharma.com](http://www.glandpharma.com) and the website of LINKINTIME immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to the BSE Limited, and National Stock Exchange of India Limited.
- j) Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution/authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by e-mail to [mail@csrvrassociates.com](mailto:mail@csrvrassociates.com) with a copy marked to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)
- k) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the

correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password' option available on <https://instavote.linkintime.co.in> to reset the password.

- l) In case of any queries, you may refer to HELP section on <https://instavote.linkintime.co.in> or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**By Order of the Board of Directors**

**Sampath Kumar Pallerlamudi**

Company Secretary

Membership No. A17901

Place: Hyderabad

Date: 01.08.2023

**Registered Office Address:**

**Gland Pharma Limited**

Survey No. 143-148, 150 & 151

Near Gandimaisamma 'X' Roads

D.P. Pally, Dundigal Gandimaisamma Mandal

Medchal-Malkajgiri District

Hyderabad 500 043, Telangana, India

CIN: L24239TG1978PLC002276

Tel: 040-30510999, Fax:040-30510800

Email: [gland@glandpharma.com](mailto:gland@glandpharma.com)

Website: <https://glandpharma.com/>



GLAND PHARMA LIMITED

A large graphic consisting of several concentric circles in various shades of orange, red, and purple, creating a target-like effect. The circles are centered on the page and overlap each other, with the innermost circle being the smallest and the outermost being the largest.

STRENGTHENING OUR  
**core**  
AMID CHALLENGES

Annual Report **2022-23**

We are delighted to present our Integrated Report for FY 2022-23. Through this Report, we have captured our strengths and strategies in action. This Report has been made in accordance with the structure as described in the Integrated Reporting (IR) framework, as defined by the International Integrated Reporting Council (IIRC).

# About the Report



For the online version of the Annual Report please log on to

[https://glandpharma.com/investors/investors\\_annual\\_report](https://glandpharma.com/investors/investors_annual_report)

#### Forward-looking statements

Some information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## Reporting FRAMEWORK

The Report is prepared in accordance with the International Framework developed by IIRC ([www.integratedreporting.org](http://www.integratedreporting.org)) and should be read alongside the accompanying financial statements and notes provided herein. The financial and statutory data presented in this Report fully adheres to the stipulated requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws.

## The report discusses 6 CAPITALS

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social & Relationship Capital
- Natural Capital

The IR section of the report is followed by the Statutory Reports and the Financial Statements.

#### REPORTING SCOPE AND PERIOD

The Annual Report contains information on business operations of Gland Pharma Limited, appropriately disclosed through the six capitals as stated by the Integrated Reporting Council (IIRC). All the six capitals capture information on the Company's India operations. The primary reporting period of the Annual Report is April 01, 2022 to March 31, 2023. However, some of the sections in the report represent facts and figures of previous years and subsequent period to provide stakeholders with a comprehensive view.

#### ASSURANCE

To ensure the integrity of facts and information, the Management has reviewed the facts and qualitative statements in the Annual Report.

The statutory auditors S.R. Batliboi & Associates LLP, Chartered Accountants have presented an unmodified opinion on the financial statements and the 'Independent Auditor's Report' has been duly included as a part of this report.

## PERFORMANCE HIGHLIGHTS FY 2022-23

₹ **36,246** Mn  
Revenue

**28**  
Production lines

₹ **10,248** Mn  
EBITDA

**35**  
Product SKUs  
launched in  
core markets

₹ **7,810** Mn  
PAT

**4,585**  
Total Employees

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#### Feedback

We welcome and appreciate any constructive input and feedback from stakeholders.

**Email**  
investors@glandpharma.com

**Website**  
www.glandpharma.com

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## Adversity often challenges norms and prepares us to take bold steps.

Our determination to nurture a sustainable business lends us the resilience to thrive amid difficulties; and it is the strength of our core capacities that keep us on the right track to achieve our goals.

Over the years, our core strengths have allowed us to retain a competitive edge in a dynamic industry. As a prominent player in the global injectables market, we are proactively upgrading our research and development capabilities, ramping up production processes and enhancing manufacturing capacity to meet evolving requirements.

Along with maintaining a steady pipeline of superior quality products, we are introducing new products, acquiring specialised technical knowledge with innovative technologies to establish our presence in the Bio-CDMO space.

Our backward integration capabilities enable us to enhance supply chain efficiency along with a vertically integrated manufacturing process that helps to seamlessly deliver quality product on-time.

In the current fiscal year, we experienced headwinds that impacted our financial performance. But, our emphasis on fortifying core capacities have provided us the leverage to constantly explore opportunities in different geographies, sharpen business development initiatives and form new partnerships that augur well for the long-term growth of Gland Pharma. Above all, our ability to remain the preferred partner of choice for our customers – empowering us to tide over the crisis and pave the way for a better and more sustainable tomorrow.



# About us

## Strength in stability

Gland Pharma is one of the largest generic injectables manufacturing companies with a global footprint across 60 countries. Our strong presence in injectables, and ophthalmology segments have enabled us to meet the diverse needs of a marquee clientele through a robust business to business (B2B) model.

We have eight advanced manufacturing facilities in India, constantly focusing on adhering to the highest regulatory standards and quality parameters. Over the years, we have consistently strengthened our emphasis on research and development, manufacturing and marketing of injectables. Today, backed by constant research and development, we are focusing on complex injectables.

With a strong commitment to ensuring a steady supply of affordable medicines that make a difference to patient care, we are constantly upgrading our portfolio and including new delivery systems such as pens and cartridges along with the existing range of products delivered through liquid vials, lyophilized vials, pre-filled syringes, ampoules, bags, and drops. We also intend to improve our manufacturing capabilities for complex injectables including peptides, long-acting injectables, suspensions, and hormonal products.



### Mission

To be a global injectables player, providing value-added total solutions.



### Values

To foster a work culture that combines work skills with a keen and empathetic understanding of the societies we deal with.



### Our guiding principles

#### Efficacy

As a Quality First Organization, we lay utmost importance on patient health. Emphasising integrity at all times, our technical capabilities to handle complex manufacturing requirements add strength to the efficiency of our operations.

#### Excellence

Our seamless methodologies give us efficiencies and high productivity both in supply chain management and manufacturing operations. This helps us offer affordable and high-quality products, resulting in customer delight in all business services. Our product development capabilities help us build a sustainable platform for future growth.

#### Ethics

Commitment to good corporate governance is a standard operating procedure for us. We maintain transparency and fairness in all business dealings with stakeholders. Our proactive activities for the betterment of society have helped us become an empathetic and socially responsible company.

# FY 2022-23 at a Glance

## Strength in stability

### Operational highlights

**~1,000 Mn units**  
Finished formulation capacity

**35**  
Product SKUs in FY 2022-23

**4,585**  
Employees as on March 31, 2023

### Experience

**40+**  
Years of existence

**26**  
Years of average experience of top management in the pharmaceutical industry\*

\*Management team comprises of 9 members

### Financial highlights

**₹ 36,246 Mn**  
Revenue generated

**₹ 10,248 Mn**  
EBITDA

**₹ 7,810 Mn**  
PAT

### Governance

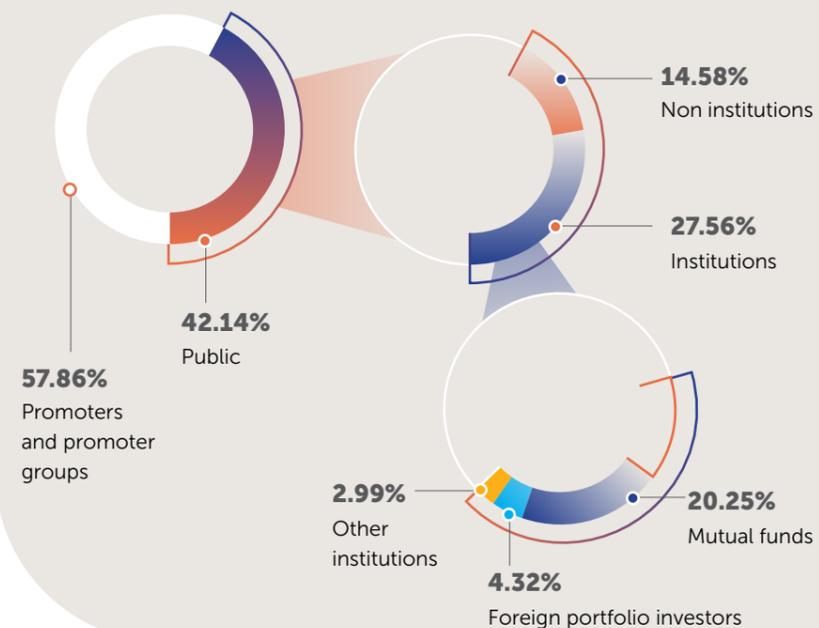
**05**  
Independent Directors on Board

**92%**  
Attendance of Board members in meetings during FY 2022-23

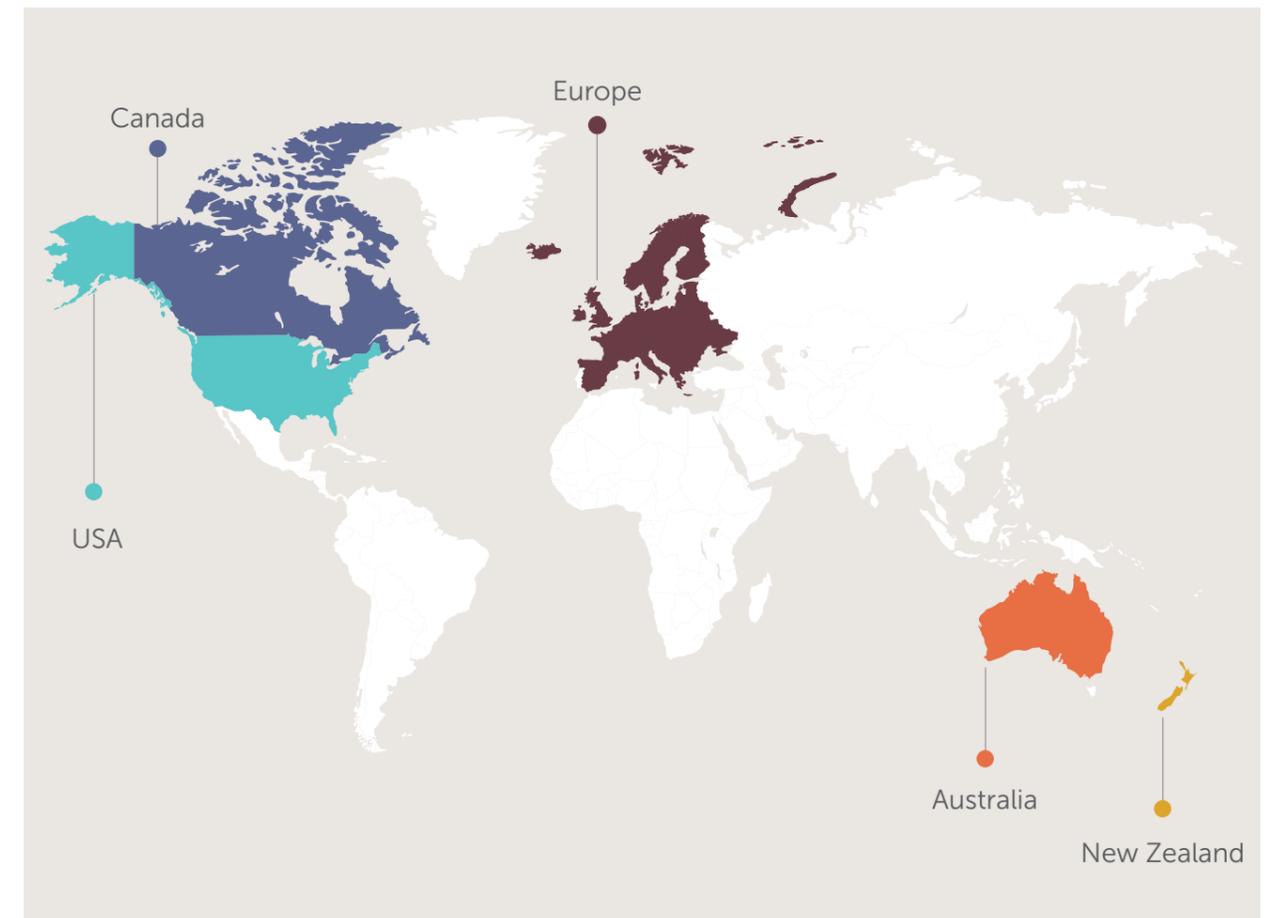
**06**  
Committees formed and governed by the Board

### Investors

Shareholding pattern as on 31<sup>st</sup> March, 2023



### USA, Europe, Canada, Australia and New Zealand (Core Markets)



**₹ 26,851 Mn**  
Revenue generated

### Filings update

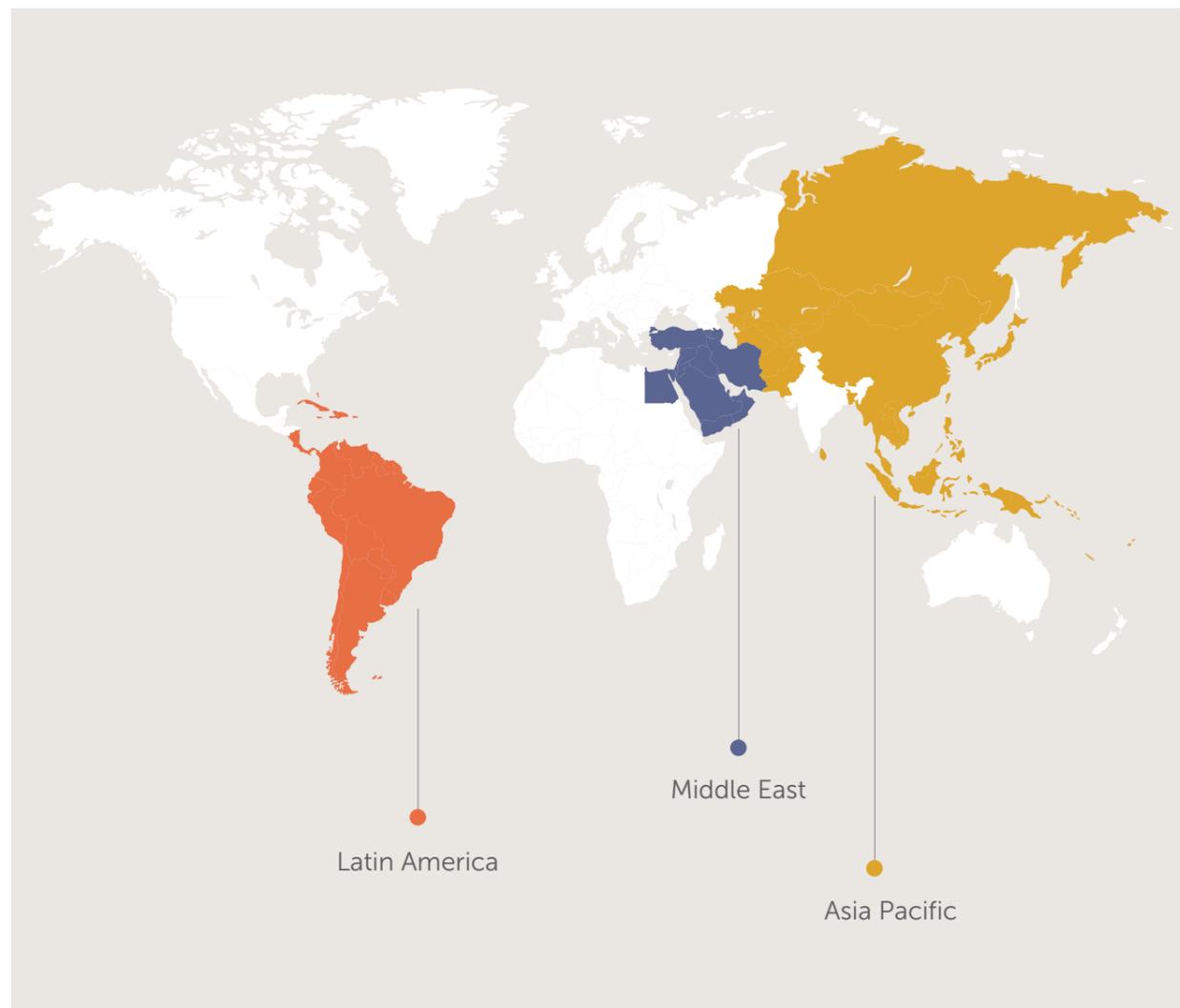
We, along with our partners, filed 334 ANDA (Abbreviated New Drug Application) in the United States, of which 263 were approved and 71 are pending approval.

**29**  
ANDAs filed in FY 2022-23

**28**  
ANDAs approved in FY 2022-23

## FY 2022-23 at a Glance (contd...)

### Latin America, Middle East, and Asia Pacific excluding India (Rest of the World Markets)



**₹ 6,894 Mn**  
Revenue generated

We continue to focus on expanding our presence in new geographies, while strengthening our market share in existing countries.

### India (Domestic Market)



**₹ 2,501 Mn**  
Revenue generated

We are constantly upgrading our manufacturing capacity to improve our product mix and introduce high quality products at attractive price points.

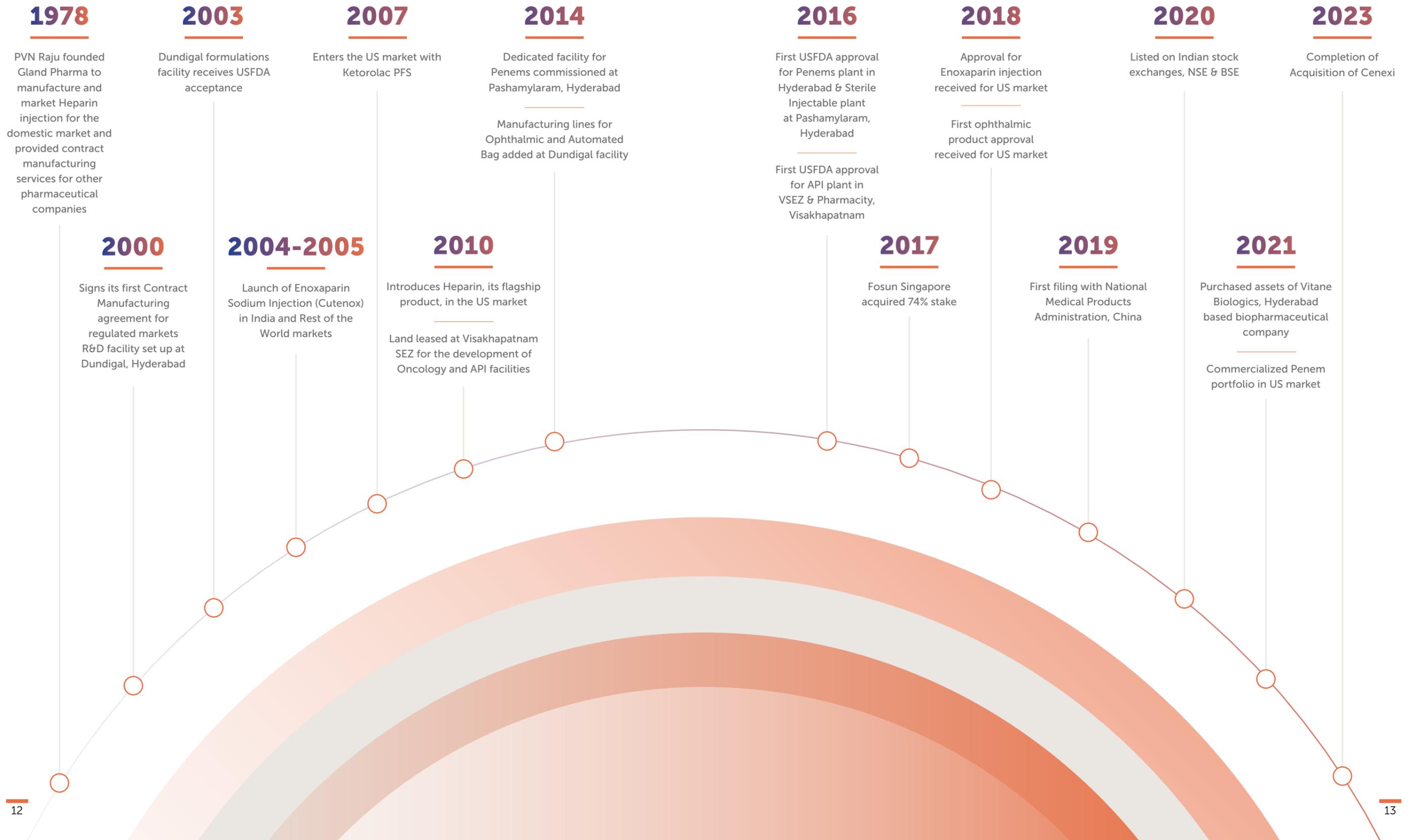


“The fiscal year FY 2022-23 presented a series of formidable macroeconomic and geopolitical challenges. Despite these circumstances, Gland’s commitment to its strategic objectives has allowed us to confront these difficulties head-on. We are diligently working towards strengthening our long-term goals, fostering growth and value-creation for all stakeholders.”

**-Srinivas Sadu, MD & CEO**

# Key Milestones

## An enduring legacy

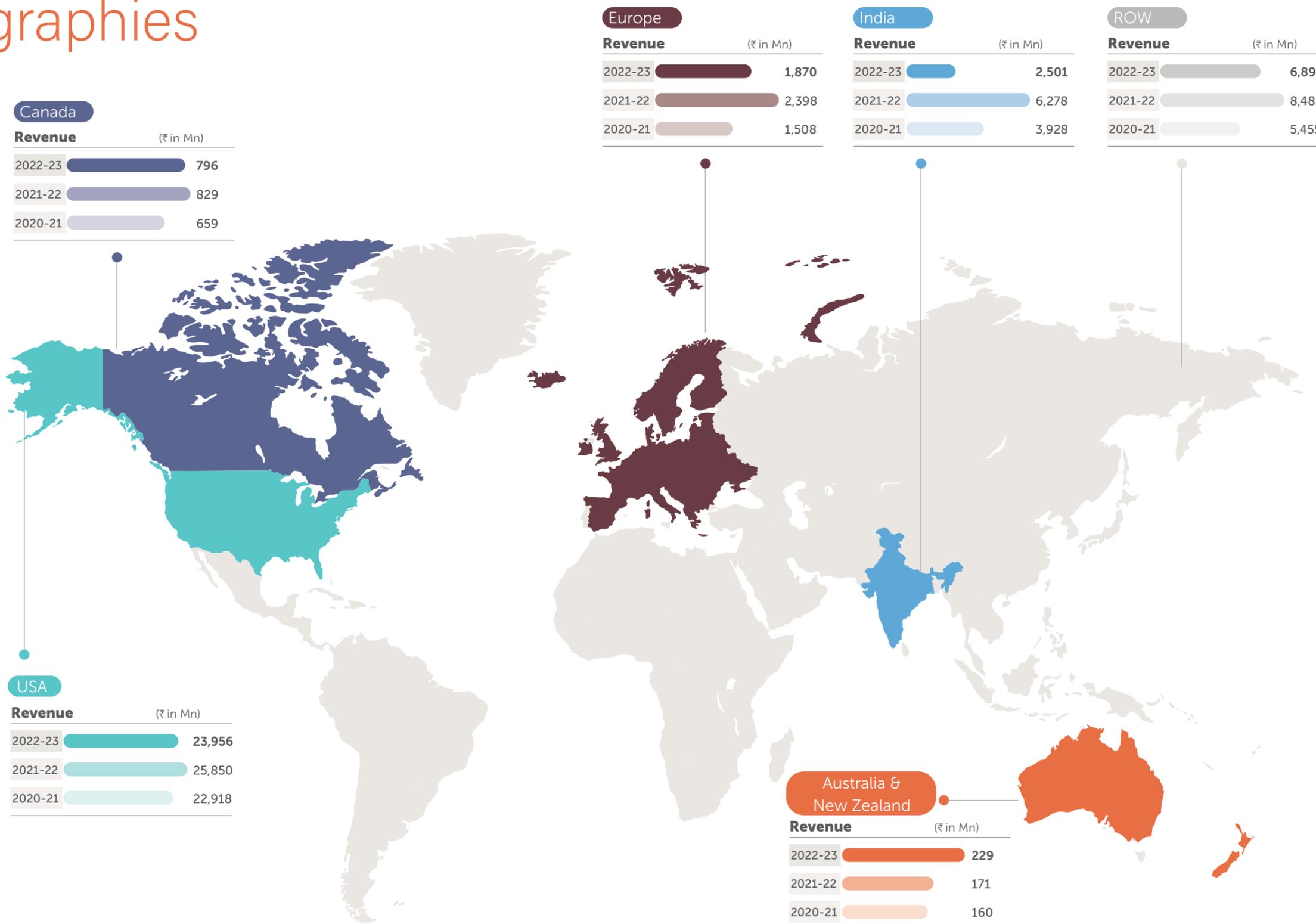


# Global Presence

## Exploring opportunities in diverse geographies

We remain determined to sustainably expand our presence in global markets while consolidating our strength in existing geographies. Core markets of India, United States, Canada, Europe, and Australia have demonstrated healthy growth.

To further strengthen our foothold in the international arena, we have recently forayed into countries like Saudi Arabia, Singapore, Israel and CIS countries and our products have received a positive response. Backed by the promising credentials of our parent Company, Fosun Pharma, we are exploring opportunities in China as well.



## Message from the MD & CEO

# Strengthening our core resiliently



We made concerted efforts to minimize the impact of supply disruptions by roping in new suppliers as well as optimizing our production efficiencies. We also ensured that our new product launches in target markets continued throughout the year as per our internal plan.

-Srinivas Sadu, MD & CEO

### Dear Shareholders,

#### The Year That Was

FY 2022-23 was a rollercoaster, giving us a mixed bag of positives and headwinds. But we kept our unwavering focus on strengthening our core to ensure that our business remains stable and continues to create long-term value for all our stakeholders. Amidst various external and internal challenges, we kept up our quest to achieve geographic diversification, enhancement of our product portfolio, completion of a strategic acquisition, new market entry and reinforcement of our quality and compliance parameters. These will act as our growth catalysts over the medium and long term. The combined experience and expertise of our teams continue to drive our future business plans and hold us in good stead as we move forward.

The year posed considerable challenges, owing to supply chain disruptions; non-availability and long lead times for several raw materials and primary packing materials worried us all through the year, causing production delays in our plants. While in the first half of the year we faced challenges in the Indian and Rest-of-the-World (RoW) markets, in the latter half we

experienced a softer offtake of some of our key products in the US market. Inventory build-up at our customers' end, normalisation of COVID-related sales and strategic shifts at some of our customers also adversely impacted our top-line, while increased power cost, one-time M&A expenses and insolvency filing by one of our customers, among other reasons, impacted our bottom-line.

We made concerted efforts to minimize the impact of supply disruptions by roping in new suppliers as well as optimizing our production efficiencies. We also ensured that our new product launches at target markets continued throughout the year as per our internal plan.

#### Operational Performance

In April 2023, Gland Pharma acquired 100% of Cenexi. Founded in 2004, Cenexi and its subsidiaries are engaged in Contract Development & Manufacturing Operations (CDMO) of pharmaceutical products with expertise in sterile liquid and lyophilized fill-finished drug, including capabilities in oncology and complex products. Cenexi has four manufacturing sites in Europe – three in France and one in Belgium.

We seek to expand our CDMO offerings in the European market and build a manufacturing presence there. Acquiring Cenexi gives us access to knowhow and development capabilities in sterile forms, including for ophthalmic gel, needleless injectors and hormones. It will help us expand our global presence and further cement our identity as an injectables-focused CDMO Company. This is our first acquisition overseas, and it is in line with our long-term growth objectives. We have now emerged

as one of the largest players in the generic small-molecule injectables CDMO space. We are well prepared to focus on integrating the business and drawing synergistic benefits from this opportunity.

We also made progress on our path to building a bio-CDMO and signed our first contract. It is a testimony to our team's strength and the robust infrastructure installed at our facility in Shamirpet.

I am happy to inform you that we received our first product approval in China during the year, and also launched our first product, Dexrazoxane; this is an important accomplishment. We expect to receive another three or four product approvals in China during FY 2023-24.

We also made strong progress in our complex portfolio by filing three complex products during the financial year 2023. As of March 23, we had filed a total of seven products within the Hormone and Peptide complex product portfolio.

We commercialized products including Bortezomib, Pemetrexed, Pantoprazole, Cyanocobalamin and Bumetanide in the US market. We also launched other products including Bortezomib in Australia, Oxaliplatin in Canada, and Bortezomib in Europe. Ethacrynate Sodium, Ganciclovir, Foscarnet Sodium and Labetalol Hydrochloride were registered in new geographies.

To strengthen our existing customer relationships and form new partnerships in target markets to drive growth, we operationalized new offices in the US and Singapore. This will align our internal product pipeline strategy with our customers' feedback, mitigate some supply chain disruptions in future,

and also help us explore partnerships to accelerate our entry into the biologic biosimilar CDMO space.

Our strength in manufacturing high-volume sterile products, coupled with our excellent compliance track record, made us stand out from the competition. We continued to invest in R&D, and completed 29 ANDA and 9 DMF filings during the year. Going forward, despite increasing competition in our new products, we remain confident of our launch pipeline.

#### Financial Performance

We made a consolidated revenue of ₹ 36,246 Mn during the year. Gross Profit margin improved compared to the previous year, largely due to our favourable geography mix. EBITDA stood at ₹ 10,248 Mn, and PAT at ₹ 7,810 Mn. Our performance was subdued largely due to lower sales in some key products as compared to the previous year, and a higher base owing to sales of certain COVID-related products.

Revenue from our core markets – US, Canada, Europe, Australia and New Zealand – stood at ₹ 26,851 Mn in FY 23, accounting for 75% of Total Revenue. Our RoW market – the key geographies being MENA, LATAM and select South-East Asian countries – generated ₹ 6,894 Mn. Revenue from the Indian market was ₹ 2,501 Mn (8% of Total Revenue), due to the negative impact caused by the coming-back-to-normal of COVID-related sales, and our Insulin production line at the Dundigal facility shutting down for line upgradation.

As on March '23, we had ₹ 37,707 Mn cash, part of which we utilized

to acquire Cenexi. Our existing cash position provides sufficient cushion to carry out our organic capex plans to augment future growth.

#### Looking Beyond Business

Our outlook as a responsible corporate citizen has never remained confined to just our injectables business. For us, CSR goes far beyond being just a statutory requirement; it is an integral part of our growth as a company, and remains at the very core of our operations and business values. We have always been committed to serving the larger community around us.

We strive assiduously to achieve the UN's Sustainable Development Goals (SDGs), and seek out avenues to make a positive difference to the planet and people around us. We engage in social and economic outreach projects that make an immediate difference, and are also aimed at yielding long-term benefits. They include providing free breakfast-cum-health support to underprivileged children, developing

government schools' infrastructure, improving the quality of poor children's education, kindling the scientific spirit in them, supporting orphanages / homes for people with disabilities, assisting in eye care for the elderly, striving for community / rural development, social justice, women's empowerment, public health and safety, strengthening medical infrastructure in government hospitals, working for tribal communities' welfare, promoting sports, protecting wildlife and conserving the environment.

We received some heart-warming endorsements of our CSR endeavour during the year:

- We were bestowed with 'The CSR Journal Excellence Award' in the 'Health and Sanitation' category.
- Three of our Rural Development initiatives have been incorporated by the Ministry of Education (Government of India) in their new BBA (Rural Management) curriculum.



Our strength in manufacturing high-volume sterile products, coupled with our excellent compliance track record, made us stand out from the competition. We continued to invest in R&D, and completed 29 ANDA and 9 DMF filings during the year. Going forward, despite increasing competition in our new products, we remain confident of our launch pipeline.

#### Mapping the Road Ahead

Despite uncertainties in the operating environment, we are leveraging our intrinsic strengths to grow sustainably with a long-term approach. We are continually building our capabilities through strategic investments and equipping ourselves with the right technology and expertise.

Our strategic priorities comprise:

- **Geographic Expansion:** China will continue to remain our key focus; a couple of our products filed there are in advanced stages of regulatory review. We are also expanding our presence in the RoW markets, especially in South Africa and Kazakhstan.
- **Portfolio Development:** We have been investing in new manufacturing lines for technologies involving microspheres and combi-vials to support our complex development portfolio.
- **Leveraging synergistic benefits** from our Cenexi acquisition, in terms of cross selling, access to new technology, and optimising costs. Our priority is to focus on seamless integration of our businesses.
- **Establishing a Biosimilar CDMO:** We are keenly exploring external partnerships with our existing partners. Alongside ongoing site visits, we are also in advanced stages of negotiation for signing customer contracts.

It is against tough odds that the true mettle of a champion comes to the fore. 'When the going gets tough', it is said, 'the tough get going'. The challenging operating environment we witnessed in FY 2022-23 has only reinforced our commitment to our longer-term objectives. As we look ahead, we are confident that our differentiated business model, continued focus on operational efficiencies and innovation, 'Quality First' approach and compliance – which have always been our core strengths – will enable us to navigate the challenges of both our domestic and global markets, and achieve sustained growth and profitability.

I would like to conclude by thanking our shareholders, communities, employees, customers, vendors and other stakeholders for their unwavering support in the challenging year that went by. We are confident that our stakeholders will continue to have faith in our strategic initiatives.

Regards

**Srinivas Sadu**  
MD & CEO

## Our Growth Drivers

# Fortifying our core to sustain value creation



### A diverse portfolio

Our constant emphasis on introducing new products to the market keeps us focused on enhancing our manufacturing capacity and improving our technological know-how. An extensive portfolio helps diversify revenue generation and capitalise on emerging market opportunities. We completed Twenty Nine ANDA filings in FY2023 and have achieved a milestone of launching our first product, Dexrazoxane, in China. We expect to receive three to four product approvals in China in the next fiscal year as well.



### Advanced manufacturing capabilities

We have eight manufacturing facilities, including four finished formulation facilities and four API facilities. Our manufacturing prowess lends us the strength to develop world-class products that adhere to stringent regulatory standards. It also provides us backward integration capabilities, thereby offering us better control over the supply chain and enabling us to ensure cost efficiency. Besides, it provides greater flexibility and agility to respond to market needs.

We produce a variety of injectables with aseptic filling and terminal sterilisation at our best-in-class, cGMP-compliant formulation production facilities.



### Extensive geographic presence

At present, we have footprint in 60 countries around the world. Our extensive reach allows us to tap into emerging markets and uncover opportunities for revenue growth. As part of our strategic commitment to enhance our geographic presence, we have recently forayed into the Chinese market. Going forward, we seek to expand to South Africa and Kazakhstan.

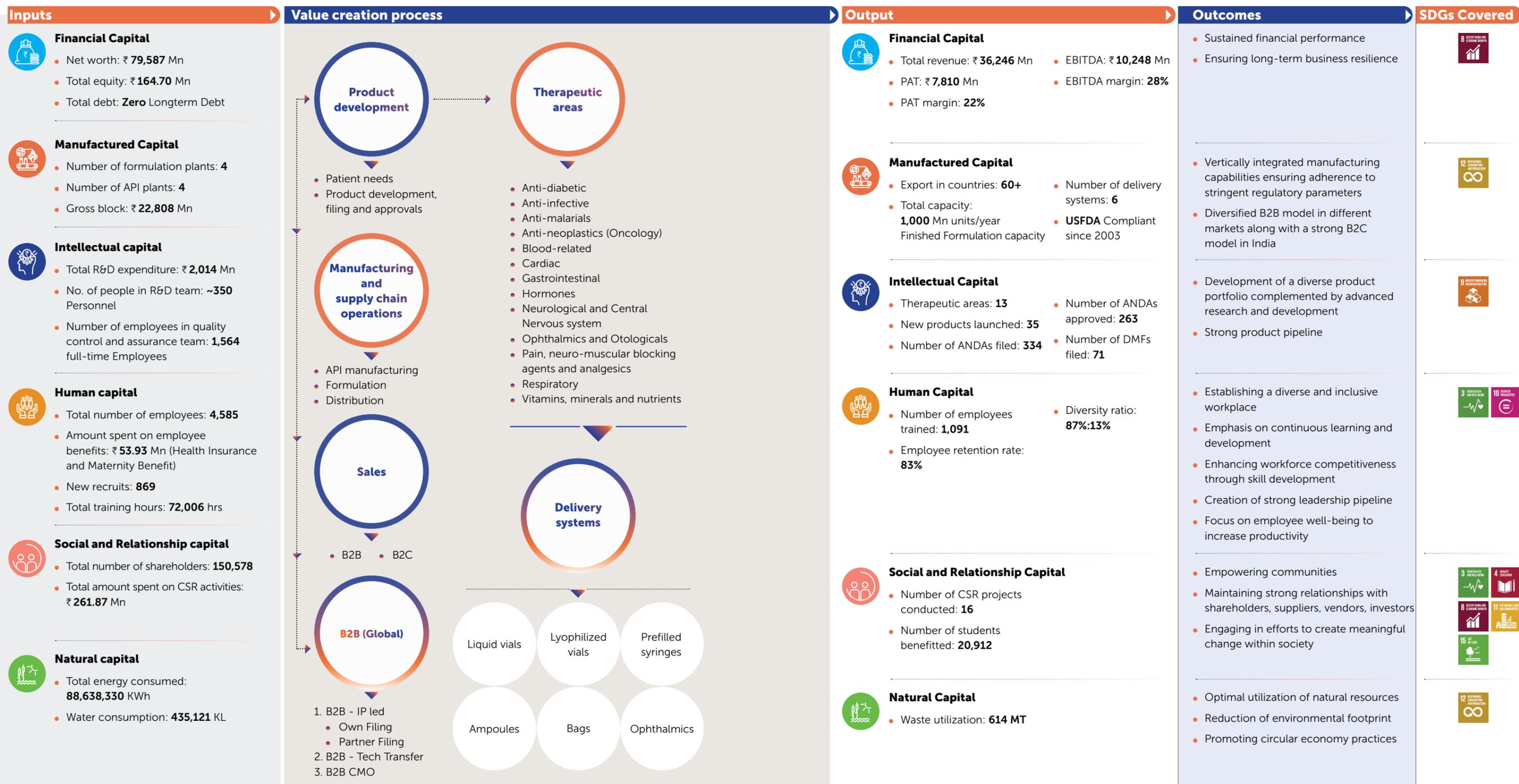


### Research and development

The state-of-the-art R&D divisions of Gland Pharma employs latest technology and advanced research methodologies to produce advanced formulations. With around 350 qualified scientists in the R&D team, our experts work on Stability Studies, Formulation Development, Analytical Method Development and API process development. We are skilled at synthesising complex drug molecules including LMWH, corticosteroids, peptides, and cytotoxic molecules. To enhance efficiency, we have vertically integrated our research and development (R&D) capabilities with our cutting-edge manufacturing setup.

# Business Model

## Tiding over adversity with confidence



# Stakeholder Engagement

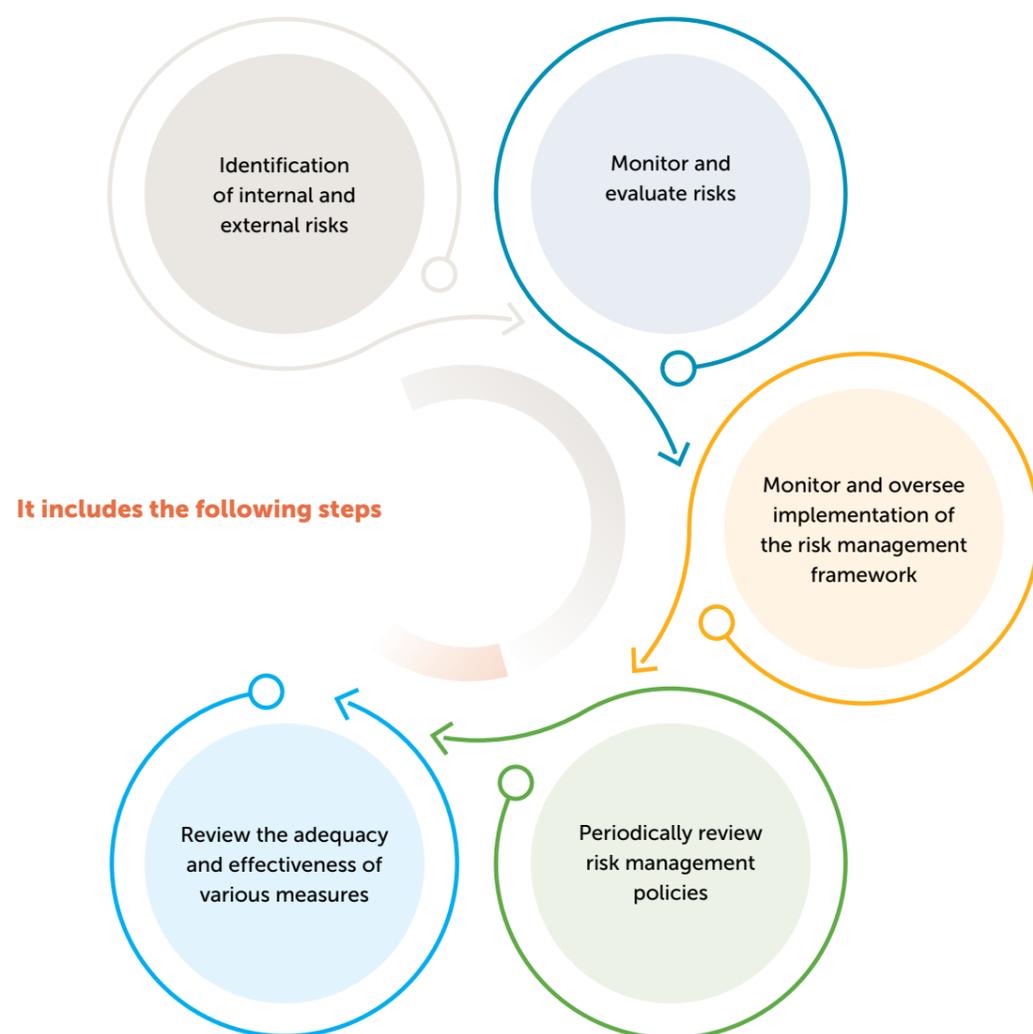
## Nurturing mutual trust and transparency

Stakeholders	Relevance to Business	Stakeholder Expectations	Mode of Engagement	Capital linked
<b>Government and regulatory bodies</b>	They provide a vital framework that assists in policy enforcement and enables the operation of an ethical and compliant business.	<ul style="list-style-type: none"> <li>Compliance with industry norms and regulations</li> <li>Timely payment of tax and levies</li> <li>Adherence to environmental laws</li> <li>Transparent disclosure of business activities</li> <li>Employment generation</li> </ul>	<ul style="list-style-type: none"> <li>Annual and quarterly compliance reports</li> <li>Website and newsletters</li> <li>Financial and statutory audits</li> </ul>	Relationship Capital Financial Capital
<b>B2B (Pharma companies, Marketing partners)</b>	Our B2B business model enables us to efficiently reach end-users through our diverse customer base.	<ul style="list-style-type: none"> <li>On-time supply of products</li> <li>Compliance with quality standards</li> <li>Adherence to regulatory requirements</li> <li>Competitive pricing</li> <li>Introduction of innovative solutions</li> </ul>	<ul style="list-style-type: none"> <li>Regular visits and meetings</li> <li>Customer satisfaction surveys</li> </ul>	Intellectual Capital Relationship Capital
<b>B2C (Hospitals, Distributors &amp; Government facilities)</b>	Our B2C business model helps us ensure seamless distribution and supply of medicines to end-users.	<ul style="list-style-type: none"> <li>Quality service and on-time delivery</li> <li>Ethical and accurate information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Regular visits and meetings</li> <li>Customer satisfaction surveys</li> <li>Supplier audits</li> </ul>	Intellectual Capital Relationship Capital
<b>Business Partners (Vendors, Suppliers, Bankers)</b>	Our business partners are essential for creating brand awareness, building reputation and ensuring efficient product delivery.	<ul style="list-style-type: none"> <li>Fair trade practices</li> <li>Mutually beneficial relationships</li> <li>On-time payments</li> <li>Technology sharing</li> </ul>	<ul style="list-style-type: none"> <li>Structured meetings</li> <li>Supplier audits and visits</li> <li>Emails, meetings and newsletters</li> </ul>	Financial Capital Relationship Capital Natural Capital Manufacturing Capital
<b>Investors and Promoters (Domestic and International)</b>	Our institutional investors and shareholders offer financial capital necessary for operating a successful business.	<ul style="list-style-type: none"> <li>Consistent growth of revenue and profitability</li> <li>Significant return on investments</li> <li>Effective risk management</li> <li>Dividend payouts</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings (AGMs)</li> <li>Quarterly investors presentations and meetings</li> <li>Analyst meets</li> <li>Press conferences</li> <li>Newsletters</li> </ul>	Financial Capital Relationship Capital
<b>Employees (Permanent and Contractual)</b>	Our employees are the cornerstones of our success and help us achieve various objectives.	<ul style="list-style-type: none"> <li>Professional growth</li> <li>Training and development</li> <li>Rewards and recognition</li> <li>Appropriate remuneration and other employee benefits</li> <li>Conducive working environment</li> </ul>	<ul style="list-style-type: none"> <li>Training and development programs</li> <li>Employee engagement surveys</li> <li>Grievance redressal mechanism</li> <li>Regular updates through internal communication</li> <li>Performance reviews</li> </ul>	Human Capital
<b>Communities</b>	We strive to improve the lives of people through initiatives that enable value creation for diverse stakeholders.	<ul style="list-style-type: none"> <li>Access to healthcare</li> <li>Improvement in quality of life</li> <li>Livelihood generation</li> </ul>	<ul style="list-style-type: none"> <li>CSR projects</li> <li>Partnerships with NGOs</li> </ul>	Social & Relationship Capital

# Risk Management

## Proactively safeguarding our interests

We have developed a comprehensive risk management framework that helps identify, evaluate and mitigate internal as well as external threats. It also allows us to recognise potential risks to our business and empowers us to take prudent decisions that augur well for long-term growth and fulfilment of organizational objectives.



Risks involved	Risks description	Risk mitigation measures
<b>Financial risk</b>	It refers to the potential impact on the Company's financial stability and profitability. It may transpire from operational inefficiency or market volatility.	To mitigate this risk, we have a diversified product portfolio and have put in place a strong financial control system. We also maintain a strong balance sheet with sufficient cash reserves that enables us to prolong our working capital cycle.
<b>Regulatory risk</b>	It may arise due to the potential impact of changing regulations, compliance requirements and government policies.	We have established robust compliance program and conduct regular internal audits to foster a culture of compliance throughout the organization. Besides, our manufacturing units conform with regulatory guidelines and follow best industry practices.
<b>Human resource risk</b>	It refers to the challenge associated with managing the Company's workforce and its ability to attract and retain skilled professionals.	We have an effective talent acquisition and retention method that helps foster a diverse and inclusive work culture. We also acknowledge employee contribution and offer performance-based rewards. Employees are also given the opportunity to enhance skill sets through effective learning and development program. Employee engagement initiatives also help keep our people motivated.
<b>Supply chain risk</b>	It refers to potential threats that may disrupt raw material procurement and supply of finished products.	Our advanced manufacturing facilities ensure timely production and distribution of finished products. Additionally, we have an extensive network of suppliers who ensure uninterrupted supply of raw materials required for the production process.
<b>Environment, health and safety risk</b>	These are potential hazards that may occur due to handling of hazardous substances and its impact on the environment as well as the health and safety of employees.	We prioritize employee safety and well-being and implement robust safety protocols, provide comprehensive training and conduct regular risk assessments and inspections.
<b>Technology risk</b>	Our operations are heavily dependent on the use of advanced technology. Inadvertent attacks on the digital infrastructure can lead to loss of sensitive data.	We implement comprehensive cybersecurity measures, including firewalls, encryption and employee awareness training. Moreover, we conduct regular IT audits, disaster recovery plans and stay up-to-date with latest technology trends to minimize risks to our systems.
<b>Competition risk</b>	With numerous companies vying for market share and striving to introduce new drugs, it has become extremely crucial to stay a step ahead of competition.	We invest in research and development to maintain a robust pipeline of products. Our collaboration with renowned international businesses also helps us stay abreast of important technological breakthroughs in the industry. Moreover, our wide geographic presence leverages our position in global markets and helps us stay ahead of competition.

A disciplined approach to manage financial assets have enabled us to strengthen our core capacities amid adversity and maintain a consistent performance trajectory. With judicious capital allocation, we have ensured stable return on investment and developed sustainable synergies for value creation in the long run.

# Financial Capital



## Building a foundation for steady progress

Along with a diversified revenue base, a balanced approach to effectively deploy investments for various growth objectives enables us to lead a value accretive business. Despite subdued performances during the year, we remained focused on enhancing investments in research and development and maintaining adequate inventory to ensure supply continuity.

Besides, our B2B model is helping us secure large orders that ensure steady cash flow from operations and improve our reliability in the pharmaceutical industry. It enables us to achieve cost-efficiencies, better operating profits and maintain lower working capital requirement due to efficient inventory management.

### We utilise our financial resources to:

- Adopt new technologies that enables bolster our manufacturing process
- Improve manufacturing infrastructure
- Use automation to increase operational effectiveness, and employee productivity
- Source renewable energy to lessen the impact on the environment

## Future strategy

We aim to consistently make investments for enhancing our manufacturing capability and driving efforts to create a steady pipeline of best-in-class products. Our focus on expanding our geographic reach and adopting advanced technology to fulfil various growth objectives will help us diversify revenue streams, while utilising existing resources to generate better returns for stakeholders.

## Profit and loss Metrics

Income from operations		Gross profit	
	(₹ Mn)		(₹ Mn)
2022-23	36,246	2022-23	19,392
2021-22	44,007	2021-22	22,915
2020-21	34,629	2020-21	19,710
2019-20	26,332	2019-20	15,312

EBITDA		PAT	
	(₹ Mn)		(₹ Mn)
2022-23	10,248	2022-23	7,810
2021-22	15,102	2021-22	12,117
2020-21	13,022	2020-21	9,970
2019-20	9,555	2019-20	7,729

EBITDA margin		PAT margin	
	(%)		(%)
2022-23	28	2022-23	22
2021-22	34	2021-22	28
2020-21	38	2020-21	29
2019-20	36	2019-20	29

## Balance sheet metrics

Total assets	
	(₹ Mn)
2022-23	87,775
2021-22	78,336
2020-21	64,961
2019-20	40,860

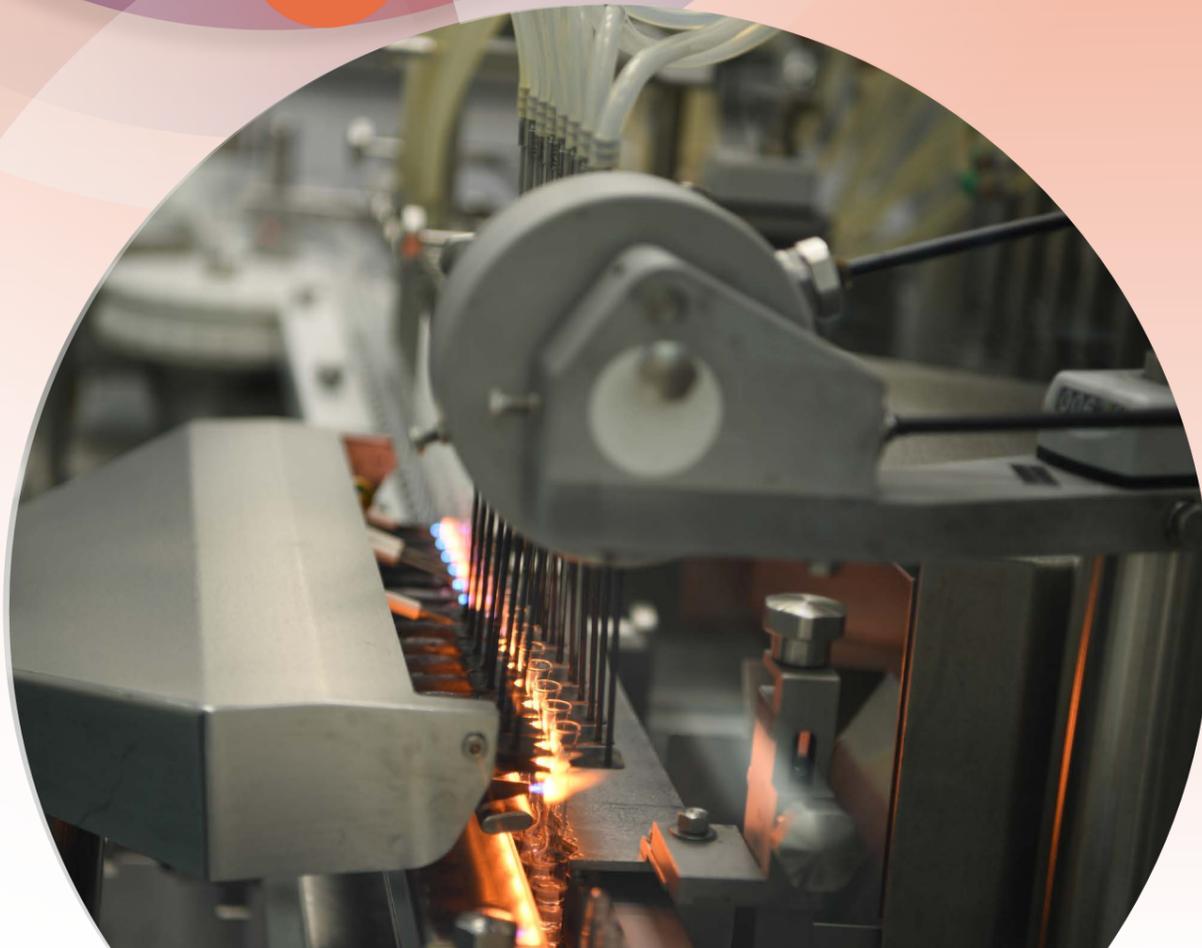
Net worth	
	(₹ Mn)
2022-23	79,587
2021-22	71,576
2020-21	59,032
2019-20	36,462

Net working capital	
	(₹ Mn)
2022-23	24,010
2021-22	20,217
2020-21	16,054
2019-20	11,621

Capital expenditure	
	(₹ Mn)
2022-23	2,230
2021-22	5,217
2020-21	2,288
2019-20	1,947

Our world-class manufacturing facilities empower us to consistently deliver quality products in different geographies. With a proven compliance track record, we have established ourselves as a reliable manufacturer of injectables. It fortifies our core, prepares us to adapt to evolving industry requirements and navigate challenges with confidence.

# Manufactured Capital



We are enhancing our manufacturing capacity to accommodate the growing demand for complex injectables including peptides, long-acting injectables, suspensions, and hormonal medicines. The flexibility and scalability of our production lines allows us to produce a diversified portfolio of products without the need for significant changes within established manufacturing processes.

## Our approach to business

Leveraging the strength of large scale manufacturing and diversified customer network, we continue to nurture a B2B model in various countries along with an unwavering focus on the B2C business in the domestic market.

	B2B – IP Led		B2B Tech Transfer	B2B CMO	B2C
	Own Filing	Partner Filing			
<b>Overview</b>	<ul style="list-style-type: none"> <li>Out-licence to marketing partners</li> <li>Long term product supply contracts</li> </ul>		<ul style="list-style-type: none"> <li>Co-development with partner</li> <li>Manufacturing by Gland</li> </ul>	<ul style="list-style-type: none"> <li>Fill and finish service</li> <li>Loan and licence agreements</li> </ul>	<ul style="list-style-type: none"> <li>Direct marketing of products</li> </ul>
<b>Revenue Model</b>	<ul style="list-style-type: none"> <li>Licence and milestone payments</li> <li>Selling price per unit dose + Profit Share</li> </ul>		<ul style="list-style-type: none"> <li>Tech transfer fee</li> <li>Selling price per unit dose + Royalties</li> </ul>	<ul style="list-style-type: none"> <li>Fixed per unit price</li> </ul>	<ul style="list-style-type: none"> <li>Direct sale of products</li> </ul>
<b>ANDA Ownership</b>	✓	✗	✗	✗	✓
<b>Development</b>	✓	✓	✓	✗	✓
<b>IP Ownership</b>	✓	Co-owned	✗	✗	✓
<b>Marketing Rights</b>	✓	✗	✗	✗	✓
<b>Royalty/Profit Sharing</b>	✓	✓	✓	✗	Not-Applicable
<b>Select Clients/Partners</b>	Global Pharma Companies			Indian Pharma Companies	Around 2,000 corporate hospitals, nursing homes & Govt. facilities

## Core strengths of manufacturing facilities:

### State-of-the-art facilities

We have specialised API as well as formulation manufacturing facilities. Equipped with advanced technologies, specialised equipment and efficient production lines, we maintain a strong focus on quality and regulatory compliance.

### Strong quality assurance & quality control procedure

We adhere to strict quality standards at all our manufacturing locations to meet the required standards for safety, efficacy and reliability of our products. It empowers us to strengthen brand reputation and earn customer loyalty.

### Economies of scale

We reduce our average cost per unit by manufacturing products on a larger scale. It allows us to achieve cost-efficiency.

## Manufactured Capital (contd..)

### Vertically integrated facilities

Our vertically integrated manufacturing facilities provide greater adaptability and flexibility to respond to changes in market demand. It also enables us to easily integrate advanced procedures into existing lines without making substantial modifications.

### Compliance track record

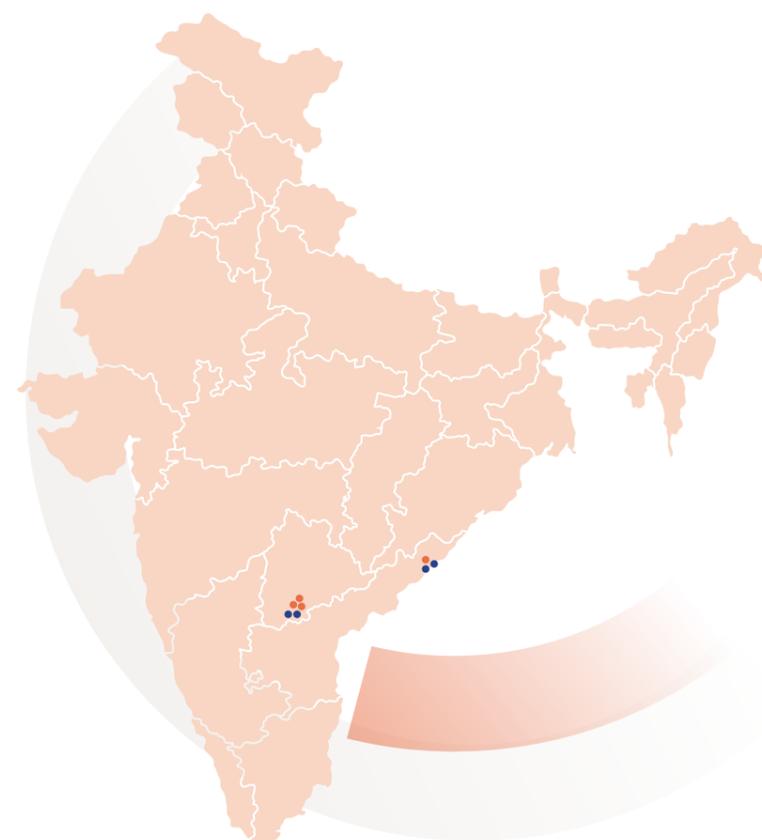
We follow ethical practices to fulfil our commitment to regulatory compliance and patient safety. It has improved brand reputation and enhanced our investment proposition.

### Diversified product portfolio

Our advanced facilities produce a wide range of injectables that are designed to meet diverse patient care needs.

Location	Facility	Key Regulatory Approval
Dundigal, Hyderabad, India	R&D pilot plant for development and lab scale manufacturing	USFDA (US), MHRA (UK), ANVISA (Brazil), TGA (Australia), BGV Hamburg (Germany)
Genome Valley, Hyderabad, India	Biotech Drug Substance facility for Biosimilars	-
Duvvada, Visakhapatnam, India	Active pharmaceutical ingredients Production Facility	USFDA (US), ANVISA (Brazil)
JNPC, Visakhapatnam, India	Active pharmaceutical ingredients Production Facility	USFDA (US), DMA (Denmark)

### Our facilities



### API facilities

**28**  
ANDAs supported by in-house APIs

**11,000**  
kg/year  
Total manufacturing capacity

**3,633**  
kg/year  
API manufactured in FY 2022-23

Our Active Pharmaceutical Ingredients (API) manufacturing facilities benefit from a vertically integrated business model that offers better control over the supply chain, assures the quality of APIs and achieve cost efficiency. We have several vertically integrated ANDAs, supported by our in-house API manufacturing expertise.

The 4 in-house API manufacturing facilities also provide us backward integration capabilities.

- 2 API facilities at Visakhapatnam, India
- 1 R&D Pilot Plant at Dundigal, Hyderabad, India
- 1 Biotech Drug Substance Facility at Genome Valley, Hyderabad, India

### Formulation facilities

**28**  
Production lines

**1000**  
Mn units/year  
Finished Formulation capacity

Our state-of-the-art formulation production facilities manufacture different types of injectables using aseptic filling or terminal sterilization. The facilities are designed to adapt to changing product specifications as well as demand and supply requirements from diverse customers. It not only enables us to maintain the highest standards of quality, but also allows us to ensure flexibility across the manufacturing process.

We have 4 formulation manufacturing facilities in India.

<https://glandpharma.com/our-capabilities/formulation-manufacturing-facilities>



### Formulation manufacturing facilities

- 3 Hyderabad
- 1 Visakhapatnam



### API facilities

- 2 Hyderabad
- 2 Visakhapatnam

## Manufactured Capital (contd..)



Dundigal, Hyderabad

### Dundigal, Hyderabad

Our 600,000 sq. ft. flagship sterile injectable facility in Dundigal, Hyderabad was approved by USFDA in 2003 and possesses capabilities to accommodate various delivery formats.

- **6 vial lines with 7 lyophilizers:**  
150 Mn units / year & 138 Mn lyo units / year
- **1 ampoules line:**  
60 Mn units / year
- **2 Pre-Filled Syringes (PFS) lines:**  
60 Mn units / year
- **2 Bag Filling line:**  
5 Mn units / year
- **1 Ophthalmic line:**  
45 Mn units / year



Penems, Hyderabad

### Penems, Hyderabad

We have a manufacturing facility in Penems, Hyderabad, where we filed our first ANDA in September 2013 and obtained USFDA approval in April 2016.

- **Dry powder line:**  
4 Mn units / year
- **Liquid vial line with two lyophilizers:**  
8 Mn lyo units / year



Pashamylaram, Hyderabad

### Pashamylaram, Hyderabad

The sterile injectable facility in Pashamylaram, Hyderabad began operations in July, 2015 and obtained USFDA approval in April 2016 and entered the US market in September 2016. Output at this facility has nearly doubled our manufacturing capacity.

- **4 vial lines for liquid filling:**  
220 Mn units / year
- **3 vial line with 7 lyophilizers:**  
134 Mn lyo units / year
- **2 ampoule lines:**  
120 Mn units / year
- **2 PFS lines:**  
40 Mn units / year



Visakhapatnam

### Oncology facility, SEZ Visakhapatnam

Our oncology facility, after receiving USFDA and GMP (EU) approval in 2014, began sales in Europe in 2015 and in the United States in 2016.

- **3 vial lines with 4 lyophilizers ract:**  
11 Mn units / year & 5 Mn lyo units / year

### Strategic acquisition

With the acquisition of Cenexi, our first overseas acquisition, we aspire to expand our CDMO offerings in the European market. It is in line with our strategic roadmap to build an European manufacturing facility for sterile injectables. The acquisition provides us access to advanced knowledge and development capabilities in sterile forms including vials, pre-filled syringes and other innovative technologies such as ophthalmic gels and needleless injectors and creams. Besides, it will strengthen our presence in the branded CDMO space and biologics.

### Accreditations from regulatory bodies

Our facilities have been accredited by the following regulatory bodies:

- US FDA (United States Food and Drug Administration)
- UK's MHRA (United Kingdom's Medicines and Health products Regulatory Agency)
- BGV Germany (Behörde für Gesundheit und Verbraucherschutz – Hamburg)
- ANVISA Brazil (National Health Surveillance Agency)
- TGA Australia (Therapeutic Goods Administration)
- MCC South Africa (Medicines Control Council)
- WHO (World Health Organization)
- Health Canada

### Product quality and safety

**1,564**  
full-time employees in Quality Control and Quality Assurance

**33%**  
of the workforce in Quality Control and Quality Assurance

**40+**  
audits conducted every year, including customer and regulatory audits

At Gland Pharma, we prioritize on quality assurance and strive to adhere to the highest standards of quality at every stage of the production process. Our compliance with cGMP regulations assures the efficacy and quality of drugs.

To ensure adequate quality control measures, we follow a three-pronged approach.

#### 1. Quality improvement

We have deployed laboratory information management system software for quality control at our manufacturing plants. It streamlines the method, maintains transparency of information and scale without resource-intensive revalidation.

Our organization tracks important quality performance metrics and we proactively respond to complaints, address concerns related to deviations and batch rejections. Additionally, we continuously strive to improve our quality standards through site-specific quality teams that are equipped to deal with issues through proper training, collaborative tools, and clear channels of communication.

#### 2. Corporate quality establishment

We have a corporate reporting structure with pre-defined roles and responsibilities for developing standard operating procedures. We consistently prioritise quality and therefore, lay emphasis on the following procedures while keeping a record of proceedings. During inspections, we report on regulatory findings and execute our action plans. We further improve organizational processes through quality training and cross-functional solutions for problem solving. We also reflect on set backs and concerns to devise efficient mitigation strategies.

#### 3. Internal quality audits

We conduct quarterly internal audits at all our manufacturing plants along with scheduled customer audits as well as audits by regulatory bodies. It enables assess the efficacy of our quality systems. We also work under the guidance of external consultants to figure inefficiencies within the system and identify areas of improvement.

### Supply chain efficiency

To enable reliable supply chain management, we strive to maintain optimum inventory levels. It not only helps fulfil orders on time, but also enhances cost-efficiencies. We also ensure timely filing of applications for alternative APIs and components. Besides, to thrive in a dynamic environment, we adhere to best business practices.

Resting on our strong API production capacity, we secure a steady supply of critical production units for major products manufactured at our facilities. It further enhances our supply chain efficiency. With a focus on process improvements at regular intervals, we maintain optimal batch sizes for commercial purposes, choose alternate vendors and seek to qualify additional manufacturing lines or sites to support our production processes and streamline the supply chain.

## Cenexi

Established in 2004, the Cenexi Group has served as a subcontractor for the pharmaceutical industry, specializing in the formulation, development, manufacturing, and filling of pharmaceutical products as a contract development and manufacturing organization (CDMO).

Cenexi has a strong presence in the global market due to its expertise in manufacturing and developing products with significant therapeutic indications. The Company excels in handling specific substances such as

narcotics and psychotropics, high-potency products (including allergens, hormones, and oncology drugs), as well as fill and finish work for biological products.

In addition to its large-scale capabilities in drug manufacturing and packaging, Cenexi provides a comprehensive solution for its clients through its Services division, which comprises 110 experts dedicated to formulation activities, analytical and galenic development, industrial transfer, and regulatory support. This ensures that

experimental or commercial products to be manufactured by Cenexi receive the necessary expertise and support throughout the process.

Cenexi has established itself as the preferred and sole manufacturing partner for most of its customers, offering a streamlined and reliable experience for the production of its pharmaceutical products.



**4**  
Manufacturing sites across  
France and Belgium

**1,400**  
Employees

**70%**  
Revenue from sterile and  
injectable products



### Production capacities of Cenexi

The Group has developed strong production capacities for various pharmaceutical forms.

- sterile liquids (liquid and freeze-dried products in vials, ampoules, pre-filled syringes);
- non-sterile liquids and pastes (creams, ointments, syrups, lotions, drops);
- solids (tablets, capsules, sugar-coated tablets)



Our inherent R&D expertise, cutting-edge manufacturing processes and technological know-how sharpen our skill set and nurtures our intellectual capability. Leveraging years of industry expertise, we are exploring new methods to meet changing healthcare demands, tide over adversity and build the groundwork for a sustainable organization.

# Intellectual Capital



We are pursuing new molecule research and API development, powered by a robust research and development team. Our innovative approach keeps us abreast of latest developments in the pharmaceutical industry and allows us to consistently adopt advanced technologies to implement cost-effective analytical methods.

## Our established expertise

### Broad range of filings

#### Different jurisdictions

We submit filings in various regulatory jurisdictions in different countries. It enables us to fulfil regulatory requirements for seeking product approvals and thereby, enhances our market reach.

#### Diverse dosage forms

We develop and submit filings for a wide variety of drug dosage forms to cater to different patient needs and preferences. We have submitted Abbreviated New Drug Application (ANDA) filings for generic versions of sterile injectable drugs (248 filings), oncology drugs (53 filings), and ophthalmic drugs (33 filings).

### Supportive filings

#### Undertaking CBE filings

We submit CBE filings for site and line changes. This helps us make changes in our manufacturing processes, facilities or product labelling. Our proactive approach towards these filings demonstrate our commitment to continuous improvement and compliance with regulatory standards.

#### Timely filings

We complete timely filing of applications for CBE/PAS for alternate APIs and components to seek approval for alternate ingredients or components used in our products. It also helps address supply chain concerns, improves cost-effectiveness and enhances product quality.

### Our own ANDAs

**157**  
Filed

**113**  
Approved

**44**  
Awaiting approval

### Partner's ANDAs

**177**  
Filed

**150**  
Approved

**27**  
Awaiting approval

### Total ANDAs

**334**  
Filed

**263**  
Approved

**71**  
Awaiting approval



Financial year	(In ₹ Mn)	R&D expenditure as % of revenue from operations
2022-23	2,014	5.5%
2021-22	2,273	5.2%
2020-21	1,220	3.5%
2019-20	922	3.5%
2018-19	966	4.5%
2017-18	615	3.6%

**Right capability matrix in products and delivery systems**

Expertise in synthesis of complex drug molecules	Present in	Focused on
<ul style="list-style-type: none"> <li>Low molecular weight heparins</li> <li>Steroids</li> <li>Cytotoxics</li> </ul>	<ul style="list-style-type: none"> <li>Oncology</li> <li>Ophthalmics and otologicals</li> <li>Blood-related</li> <li>Neurological and central nervous system</li> <li>Pain, neuro-muscular agents and analgesics</li> </ul>	<ul style="list-style-type: none"> <li>Complex injectables</li> <li>NCE-1s</li> <li>First-to-file products</li> <li>505(b)(2) filings</li> </ul>
Expanding capabilities in	Expanding in new delivery systems	Key products include
<ul style="list-style-type: none"> <li>Peptides</li> <li>Long-acting injectables</li> <li>Blood-related</li> <li>Suspensions</li> <li>Hormonal products</li> <li>Biosimilars</li> </ul>	<ul style="list-style-type: none"> <li>Pens</li> <li>Cartridges</li> </ul>	<ul style="list-style-type: none"> <li>Cisatracurium Besylate</li> <li>Enoxaparin Sodium</li> <li>Heparin Sodium</li> <li>Rocuronium Bromide</li> </ul>

**Dynamic and niche technologies**

To develop complex generic injectables, we utilise advanced capabilities that help us develop technically challenging products. It has also enabled us to develop bioequivalent versions of complex drugs.



**Diversified products**

Our expertise enables us to manufacture a variety of dosage formulations including solutions, suspensions, and lyophilized products. Products delivered via pre-filled syringes, vials, ampoules, bags, and dry powder injections are also developed at our facilities. We have also been able to develop and manufacture generic injectables in liquid, lyophilized, suspension, and pre-filled syringe forms through our injectable product technologies. Using advanced procedures, we develop complex steroids like vecuronium, rocuronium, fulvestrant, and vitamin D mimics.

**Complex molecule characterization**

To characterize complex molecules in our products, we have developed advanced analytical tools. The procedure helps develop generic medicines that are identical to a reference drug. Due to their minute differences, it is difficult to characterise these molecules. This method has helped successfully complete the synthesis and characterization of glycosaminoglycans like heparin, low molecular weight heparins, chondroitin sulphate, hyaluronic acid, and glycosaminoglycan drug conjugates. The technology also aids characterization of complex molecules such as protein-based products.

We use characterization technology and sterile API production technology for the development of peptide and protein drug products. We have successfully developed betamethasone acetate, paliperidone palmitate, aripiprazole hydrate, and aripiprazole lauroxil through our sterile API technology. Additionally, we have developed non-infringing polymorphism versions of APIs like Tigecycline, Bortezomib and Remimazolam as well as oncology API processes like cabazitaxel and pralatrexate.

**Technology transfer capabilities**

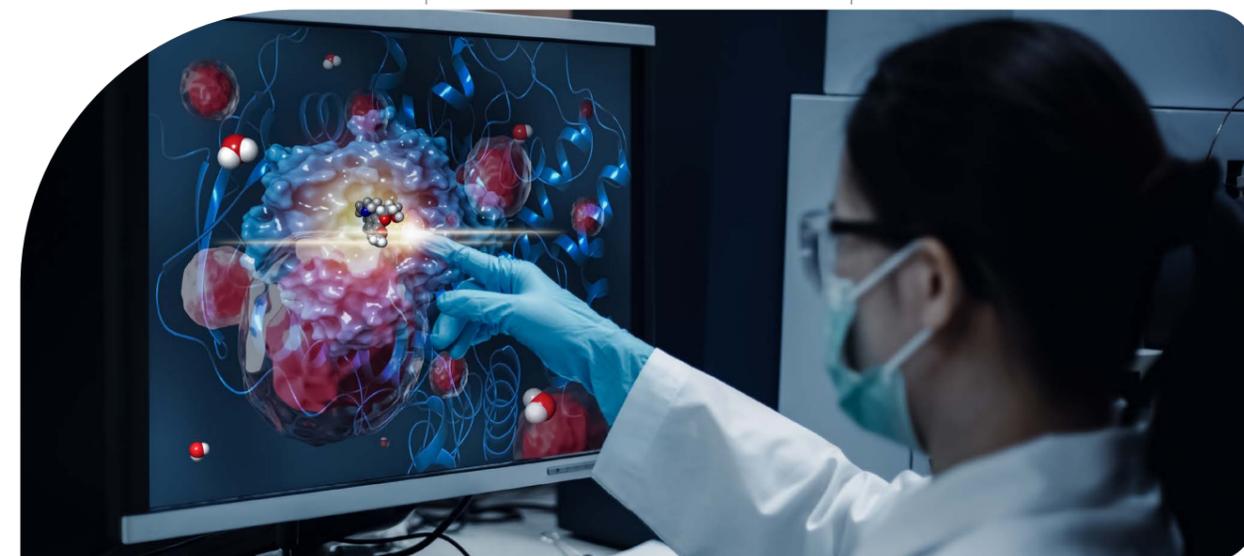
We execute technology transfer initiatives that enable the customer to transfer the technology to us. As a B2B Company, technology transfer plays an important role in the progression from drug discovery to product development, clinical trials, and full-scale commercialisation.

Technology transfer is essential for improving the quality of drugs during the research and development phase. It also facilitates adherence to similar quality standards during the final stage of product development. It includes identifying technical gaps in manufacturing and analytical methods, transfer of analytical methods, verification of APIs and finished goods through trials and submission batches, stability studies and preparation of dossier submission documents. To ensure seamless technology transfer, we have a dedicated manufacturing science and technology team that is equipped to handle project management. With their immense expertise in the field of injectables manufacturing, they can efficiently manage the entire cycle for technology transfer.

**Strengthening our intellectual property**

Our robust research and development directly supports the requirements for global regulatory filings. Our product capabilities, complemented by our drug regulatory capabilities, allow us to register complex injectables across the product lifecycle and markets. We have also acquired patents for the processes and equipment utilised for the development of our products.

With vast knowledge of regulatory requirements, our regulatory team makes new product registrations relatively simpler. Through constant communication with regulators including the USFDA, they ensure operational efficiency by completing CBE-30 filings for site and line changes as well as filings for changes in APIs.



Our people ensure our success in a competitive landscape and provide us the necessary leverage to overcome hurdles in our path. At Gland Pharma, our human capital constitutes one of our core strengths and we take great pride in nurturing a legacy of fostering an engaged and motivated workforce.

# Human Capital



The tenacity of our workforce is a testament to the solid values that permeate our workplace. We support an inclusive workplace environment that prioritises individual goals and empowers them to aspire for professional as well as personal growth. We, therefore, remain steadfast in our commitment to foster a purpose-driven and stimulating working environment.

**33**  
Average age  
of employees

## Employee engagement

We believe, a motivated workforce plays a crucial role in the success of an organization. To create a deeper sense of belonging to the Company, we organize a number of employee engagement initiatives that boost morale and ensure intellectual development.

To ensure open channels of communication with the top management, we regularly undertake initiatives that allow our people to directly engage with our leaders. These sessions help us take various perspectives into account and formulate policies that are beneficial for the growth of our people. We also conduct annual employee engagement surveys.

To promote the spirit of solidarity, we celebrate birthdays, work anniversaries, and festivals with our employees and their families. We also host special activities on Women's Day, World Health Day and other events.

## Training and development

At Gland Pharma, we seek to create a culture of continuous learning and development. Our people, including contractual workers, are provided access to a variety of learning and development tools that help individuals realise their full potential.

### Skill development

**840**

Total person-hours  
of training

We support employees in their professional journey with different types of training that help acquire new skills, hone existing expertise and increase productivity. To specifically thrive in a dynamic environment, we encourage our people to enrol in various programs that are designed to enhance competitiveness.

The industry is evolving at a rapid pace and to attune our people with emerging requirements, we have developed a leadership development program. It provides an insight into theoretical as well as practical applications of the leadership and openness and ownership. With a thorough analysis of individual capabilities, it helps create a steady pipeline of future leaders for the organization. It also provides an overview about the areas of improvement and helps people to be successful in their professional roles.

### Leadership program

**320**

Leaders Identified for  
Ownership and Openness  
program

### Bull's Eye Habit: Next-generation strategies for success

To overcome challenges, it is essential to maintain a strategic focus on doing the right things. The 8-week long 'Bull's Eye Habit – Next generation strategies for success' provides immersive training to Senior Managers. It helps them develop specific qualities that are essential for operating competitive businesses and ensure success amid uncertainty.

### Succession planning

Succession planning is essential for a sustainable business. We have a structured framework to identify potential leaders who have the capacity to drive the organization towards newer heights of success. Our efficient succession planning strategy, therefore, helps create a steady pipeline of future leaders.



**Talent management**

**869**

New recruits in FY 2022-23

**83%**

Employee retention rate

To create an agile, efficient and purpose-led workforce, we continue to attract and retain people with diverse skill sets and from varied backgrounds. Our talent management efforts aim to identify individuals with suitable qualification and experience to align with the organization's goals and values. It enables us to develop a motivated and engaged talent pool that is committed to fulfil organizational objectives.

**Our hiring channels**

We hire through walk-in drives, employment portals, employee recommendations and recruitment consultants. We aspire to create a diverse and inclusive workplace that provides a conducive environment for talent to thrive.

**Rewards and recognition**

We recognise the importance of acknowledging the contribution of our people. Our comprehensive rewards and recognition program promotes a culture of performance and helps to identify exemplary achievements.

**Employee health and safety**

We recognize the importance of acknowledging the contribution of our people. Our comprehensive rewards and recognition program promotes a culture of performance and helps identify exemplary achievements.

We prioritize the health and safety of our employees and have inculcated a safety culture within the organization. To ensure the well-being of our people, we have also formed a dedicated safety committee and it consciously prevents exposure to hazardous circumstances.

**4,312**

Man-hours of EHS training

**3.6 Mn**

man-hours of injury-free operations

**ISO 45001:2018**

Certified

**Healthcare facilities**

We have a health centre with round-the-clock availability of doctors and paramedic staff. They are also equipped with necessary equipment for medical assistance. We also monitor industrial hygiene continuously and promote practices to ensure personal hygiene at the workplace through necessary facilities.

**Safety performance**

We are extremely mindful of reporting accidents and near-miss incidents within our facilities. It also creates a culture of safety ownership and helps to ensure the safety and well-being of our people. The occupational health centre regularly monitors incidents and accidents are thoroughly investigated to implement necessary corrective measures.

**Safety checks**

Employee safety audits and management review meetings are regularly undertaken to implement necessary actions for identifying potentially hazardous behaviour. The data helps shape positive behaviour and create awareness about potential risks.



It also helps prevent threats at our plants and implement preventive measures to reduce the likelihood of safety incidents.

We have a well-defined policy to ensure the effective implementation of health, safety and well-being of employees. This policy involves risk assessments for workplace, fire, process safety, ergonomics and machinery risks, occupational health, chemical and others risks. Additionally, we have institutionalised a system that is based on international safety standards and regulations. We conduct a quarterly review of this policy and the feedback from this review is used to further improve the process.

**Our safety initiatives**

To ensure the health and safety of our workers, subcontractors, clients, and others, a number of initiatives have been put in place. We have implemented specialized wellness programs across our offices. In addition to internal trainings, we perform shop floor, induction, and refresher sessions to ensure the overall health and well-being of our people.

**Safety inspections**

We routinely conduct simulated exercises at our manufacturing facilities. We also regularly calibrate portable and fixed gas detection systems as well as spill control kits. Inspection and demonstration of emergency equipment like fire extinguishers, fire hydrant systems, fire alarm detection systems, eye and body wash showers and respiratory protective systems are also given at regular intervals.

**Employee well-being**

We encourage employees to participate in various wellness programs that help employees to adopt healthy lifestyles and manage non-communicable diseases.

We also guarantee the provision of health insurance, accident insurance, maternity benefits, paternity benefits, and nursery facilities to continually support the holistic wellbeing of our employees and workers. All of our full-time employees and contractors are covered with comprehensive health and accident insurance.

**Diversity at workplace**

**4,585**

Total number of employees

**13%**

Female employees

At Gland Pharma, diversity, equity, and inclusion play a key role in operating a successful business. We, therefore, encourage the participation of people from diverse backgrounds, ethnicity, religion, nationality and gender to be a part of our workforce. Besides, we believe in being an equal opportunity employer that is dedicated to reward performance and offer compensation that is commensurate with one's experience and expertise. We also strive to create an inclusive working environment that respects various perspectives and creates a sense of belonging to the organization.



We consider it our responsibility to give back to the society in which we operate. To ensure holistic wellbeing of people and communities at large, we engage in endeavors that maximize value creation in the long term.

# Social Capital



## Education

We strive to create adequate opportunities to provide access to education to children from marginalised backgrounds.

### Free Breakfast to Government School Children

In a first-of-its-kind initiative in Telangana and Andhra Pradesh, Gland Pharma had inaugurated the Free Breakfast Program on November 14, 2019. This flagship program of the Company has been running successfully, despite a brief halt of 10-15 months caused by the COVID-19 pandemic.

During 2022-23, the Company served 2,552,733 breakfast meals for nearly 16,700 children of 84 government schools in Hyderabad and Visakhapatnam, as well as about 300 pre-school children / pregnant ladies / lactating mothers in 10 'Anganwadi Centres' in Hyderabad. This free breakfast is very important as most students of government schools come from extremely impoverished backgrounds. The parents of many of them are migrant workers employed as casual labour on a daily basis. They leave home very early in the morning in search of jobs, often leaving their children grossly underfed or hungry. The children begin their day at school on a bright and happy note with a hot, nutritious and sumptuous breakfast (prepared by our implementing partner, the Akshaya Patra Foundation). This novel project has greatly improved the children's general health, cognitive skills and academic performance and has shown a significant impact. It has significantly increased the students' attendance at school, and reduced school dropout rates appreciably, thereby receiving widespread endorsement from the teaching community and the government's education departments.

**2,552,733**  
Meals served in 2022-23

**4,037,484**  
Total meals served since November 2019

**₹ 35.48 Mn**  
Amount spent in 2022-23

### Beneficiaries

**16,700**  
School Students

and

**300**  
Pre-school children / pregnant women / lactating mothers



**Developing infrastructure in Government Schools**

To provide a suitable learning ambience to government school children, the Company has undertaken extensive infrastructure development / renovation works (additional classrooms, staff rooms, laboratories, dining halls, kitchens for preparing mid-day meals, stores, assembly stage, toilets, drinking water facilities, compound walls, teaching boards, chairs, dual-desks, dining tables, etc.). During 2022-23, six government schools in Telangana were renovated with various facilities as mentioned above.

**4,212** Students benefitted (including a school run by an orphanage)

**₹ 104.79 Mn** Amount spent in 2022-23



**8** Government schools developed / work-in-progress in 2022-23

**13** Government schools developed / work-in-progress till now

**Sponsorship of Teachers / Support staff in Government Schools**

We also sponsor over 80 'Vidya Volunteer' teachers and other non-teaching staff (helpers, security guards and scavengers) to government schools that faced a shortage of them, with an aim to provide quality education to the children.

**₹ 6.21 Mn** Amount spent in 2022-23



**Promoting quality education in Government High Schools**

To address systemic gaps that prevent underprivileged school children from pursuing experiential STEM learning, we implemented a 'Janyaa Lab-In-a-Box' (JLIB) program in 11 government high schools, in association with an NGO. The JLIB kit, with its 340 Science / Math experiments, provides hands-on learning that can be applied to the students' lives and benefit their families / communities. It promotes their problem-solving and creative thinking, builds a strong foundation for STEM learning relevant for vocational pursuits, and makes them future-ready with demand-driven skills. 'Janyaa Scientific Rangoli' encourages the students to creatively capture and explain various Science / Math concepts they have learnt from their JLIB experiments. At the 'Janyaa Creative Fair', the students showcase their creative skills with new experiments they have designed, as well as solution models for water conservation problems. 'Janyaa Social Innovation Challenge' encourages children to develop innovative scientific

models to address real-life household / community issues (safe drinking water, water conservation, flood control management, rainwater harvesting, environmental / resource conservation, etc.). 'Janyaa Nature Lab' – comprising 60 experiments – enables children of Grades 7-8 to learn and apply

curriculum-based Science / Math concepts in relation to nature (checking pH, seed germination, calculating areas / volumes, computing interest / discounts). They also learn about finance, eco-systems, environment, science, food and nutrition.



**Educating urban slum children**

We ran 11 'My Abhyasa Centres' for children in some urban slums of Hyderabad, in association with an NGO. The project sought to improve the children's functional literacy with techniques for better learning; design strategies for continuation of their schooling; encourage the parents to become partners in their children's future; help them avail of government welfare schemes; provide skill development to unemployed youth through NGOs / government. The project methodology encompassed: enrolment and attendance (Grades 1 to 6); periodic evaluation of performance; emphasis on basics of Maths / EVS / Telugu; upgrading their knowledge to respective academic levels through bridge courses.

**Educating children belonging to tribal communities**

We supported an NGO in running 84 'Ekal Vidyalayas' (single-teacher schools) in two tribal districts of Telangana. Acting as bridge-schools for children in tribal villages, these 'Ekal Vidyalayas' imparted non-formal education. Those who had studied up to at least Class X were selected from the villages as 'single teachers', coached in teaching skills and provided with requisite teaching aids. They were also given a medical kit to help ailing people, to help them forge a close bond with the village community. The ultimate aim of these 'Ekal Vidyalayas' was to motivate the children to attend regular schools.



**Miscellaneous**

We supported three NGOs that run homes for destitute children from vulnerable communities (migrants / abused / homeless / beggars / rag-pickers), giving them education, life skills, shelter, food and healthcare. We have also built infrastructure to improve the children's living conditions.

We assisted an NGO in conducting 'Chekumuki Science Sambaralu', a science fest that drew nearly 6.5 lakh high-school students from 8,500 schools across Telangana.

**₹ 21.47 Mn**  
Amount spent on other programmes on Education



**Health**

**Improving the health of socio-economically challenged children**

Socio-economically disadvantaged children are often unable to give their best in academics due to malnutrition and poor awareness of healthy food / lifestyle matters. To address this issue, we undertook a 'Comprehensive Health Plan' for nearly 2,770 such children from government / tribal welfare schools and hostels. Screening and diagnostic medical tests were initially carried out to determine the causes of malnutrition. Based on these tests, counselling (including dietary) was given by qualified doctors / nutritionists to malnourished children, as well as to their parents / guardians. Suitable treatment / supplementation was administered by a professional team. After a stipulated period, feedback was obtained to evaluate all the corrective diagnostic / interventional measures undertaken. The project helped identify major nutritional deficiencies in the children and recommend necessary dietary / lifestyle changes for their physical / overall development, thereby improving their cognitive skills, resistance to infections and educational performance.



This project was adjudged the 'Third Best' (2<sup>nd</sup> Runner-Up) at 'The CSR Journal Excellence Awards, 2023' under the 'Health and Sanitation' category.



**Promoting 'Elderly Eye Care'**

We funded the setting up of a dedicated 'Centre for Elderly Eye Care' at LV Prasad Eye Institute, Hyderabad. The Center provides diagnostic and treatment services to the needy on a sustainable basis. With fully equipped examination rooms and medical equipment, furniture and fixtures, it offers a comprehensive range of eye care services for the elderly. It also carries out outpatient examinations and surgeries (including non-paying ones for deserving cases), and provides house-to-house vision screening services for the elderly poor.

**₹ 14.10 Mn**  
Amount spent in 2022-23

**3,051**  
Non-paying surgery' beneficiaries  
(November 2020 to March 2023)

**86,164**  
Non-paying OPD' beneficiaries  
(November 2020 to March 2023)

**2,934**  
Home-screening' beneficiaries  
(April 2022 to March 2023)



**Strengthening medical infrastructure in government hospitals**

We have provided 100 neonatal electric warm blankets to government hospitals in AP, to protect low birth-weight / premature infants from life-threatening hypothermia. These reusable, easy-to-sanitize blankets help sustain body temperature at optimum levels for vulnerable babies in NICUs / maternity wards, and while transporting them within the hospital or to other hospitals.

We contributed to the 'Nikshay Mitra' initiative of the Union Ministry of Health and Family Welfare, to provide nutrition support to 1,000 TB patients in AP.

**₹ 8.18 Mn**  
Amount spent in 2022-23

**Potable water storage facility**

We built an underground storage facility of 4.30 KL capacity in a village in Telangana, to help store Manjeera river water for the benefit of tens of thousands of its residents. Owing to the presence of scores of industrial units in the vicinity, the groundwater quality in the village has turned extremely poor, compelling the residents to depend almost exclusively on Manjeera water.

**₹ 10 Mn**  
Amount spent (project completed in July 2023)

**Community development, environment protection, wildlife conservation**

**Restoration of critical wildlife habitat in and around kawal tiger reserve through community-based solutions**

To help establish a viable meta-population of tigers by increasing the green cover in the Tiger habitats of Kawal Tiger Reserve (Telangana), we have been working with Wildlife Conservation Society (India) to:

**72 acres**  
Total acreage for agro-forestry in 2022-23



- Restore degraded forests and community lands by promoting agro-forestry in fringe areas, for which we collaborated with 50 farmers across 72 acres in priority sites. Once fully grown, these lands will act as an extension / buffer to wildlife habitats and help improve connectivity between forest patches.

In an innovative method of providing water for plants during dry summer, 4,200 earthen pots were provided to the farmers. A pot is placed at the base of each sapling, with a tiny outlet at the bottom for the water

**5,110**  
Total trees planted

to trickle down slowly, making it an effective drip-irrigation apparatus.



- In another attempt to restore 120 acres of degraded private forestlands in the buffer of Kawal Tiger Reserve, we took a 'watershed' approach and built five rock-fill dams, one main check-dam and two small check-dams to improve soil moisture / groundwater levels, reduce soil erosion and make water available for domestic cattle and wildlife during peak summers, leading to better regeneration in the catchment.

- To save birds and animals that feed on the agricultural fields in the fringe villages of forests, we encouraged farmers to reduce usage of pesticides and chemicals by promoting and setting up 12 vermicomposting units. This improves micro- and macro-nutrients, enhances soil fertility, and generates additional revenue for the farmers.



- In an initiative to protect the Tiger – our national animal – we have been working with WCS-India in the Kawal Tiger Reserve and in the Corridor areas. The ground-staff work in coordination with the Forest Department to monitor tiger and prey numbers through 'Line Transect' surveys, gathering voluntary citizen reports from a network of livestock herders, strategic camera trapping, monitoring of bottlenecks, etc., and also assess threats by patrolling on foot, and removing snares / live-wire traps laid by poachers. We were also able to rescue two spotted deer and one four-horned antelope from clutch-wire snares. All of this helps the government to take better management decisions.



**Our efforts (October 2022 to March 2023)**

**5,500 km**  
Total length of foot patrols

**881**  
Total patrols across the corridors

**28**  
Total 'Line Transects' (4 km each) for prey monitoring

**520 km**  
Total walking efforts on 'Line Transects'

**1,800**  
Total number of wire snares removed

**102**  
Number of live-wire sites reported

- To reduce dependency on the forests and improve livelihoods of local communities, we held Skill Development Workshops and trained 25 members of the 'Kollam' tribe in the buffer area of the Kawal Tiger Reserve in making bamboo handicrafts, and are also helping them find access to better markets. Through this, we hope to increase their income margin from ₹ 150/- to ₹ 1,000/- using less bamboo than before. Officials from various government agencies and departments have visited the training site and appreciated the efforts.



- We promote the development of woodlots and fodder in private lands to reduce dependence on forests for firewood and livestock grazing. We also support growing of bio-fence hedges along farm boundaries to reduce agricultural losses due to human-wildlife conflict and generate additional revenue through their fruits.

**Conserving wildlife**

We continue our support to Nehru Zoological Park (Hyderabad) and Indira Gandhi Zoological Park (Visakhapatnam), for the upkeep of their numerous wild birds and animals.

**Promoting environment consciousness**

To minimize usage of non-biodegradable plastic bags, we distributed 1,000 reusable environment-friendly jute bags to the general public in Visakhapatnam, in collaboration with the City Administration.

**Miscellaneous**

In our endeavor to promote sports, we provided sponsorship support to two promising athletes (para-badminton and powerlifting) to help them train and participate in national / international tournaments.

We remain committed to foster amicable relationships with diverse stakeholders by inculcating a culture of trust, accountability and transparency across our operations. It allows us to strengthen the organizational ethos and prepares us to mitigate risks based on mutually beneficial bonds.

# Relationship Capital



## Our key stakeholders



### Government and regulatory bodies

We establish and maintain mutually beneficial relationships with governing bodies and regulatory agencies in different parts of the world. Along with ensuring regulatory compliance, we adhere to legal guidelines and norms to strengthen ties based on credibility and trust. Our emphasis on engaging in CSR projects in underprivileged areas also aligns with the government's social and economic development agenda.

### B2B and B2C customers

We ensure customer satisfaction by developing products that adhere to the highest standards of quality and regulatory parameters. It enhances brand loyalty, drives business growth and helps to deliver service excellence. We also provide accurate and up-to-date information about products, usage guidelines and potential side effects through clear and effective communication channels to build stronger bonds based on transparency and accountability.

### Business Partners (C&F Agents, Vendors, Suppliers, Bankers)

We maintain strong relationships with business partners to ensure efficiency of our supply chains and faster delivery of our products. We ensure fair business practices with our vendors, suppliers and other partners. It helps us foster an environment of trust and maximize value creation for our stakeholders.

### Investors and Promoters

Regular interaction with investors help gather feedback, understand concerns and respond to queries efficiently. Our investors and promoters create confidence in the Company's growth potential and we strive to maximise return on investment by operating in an ethical and transparent manner.

**₹ 208,882**  
Million  
Market capitalization  
as on March 31, 2023

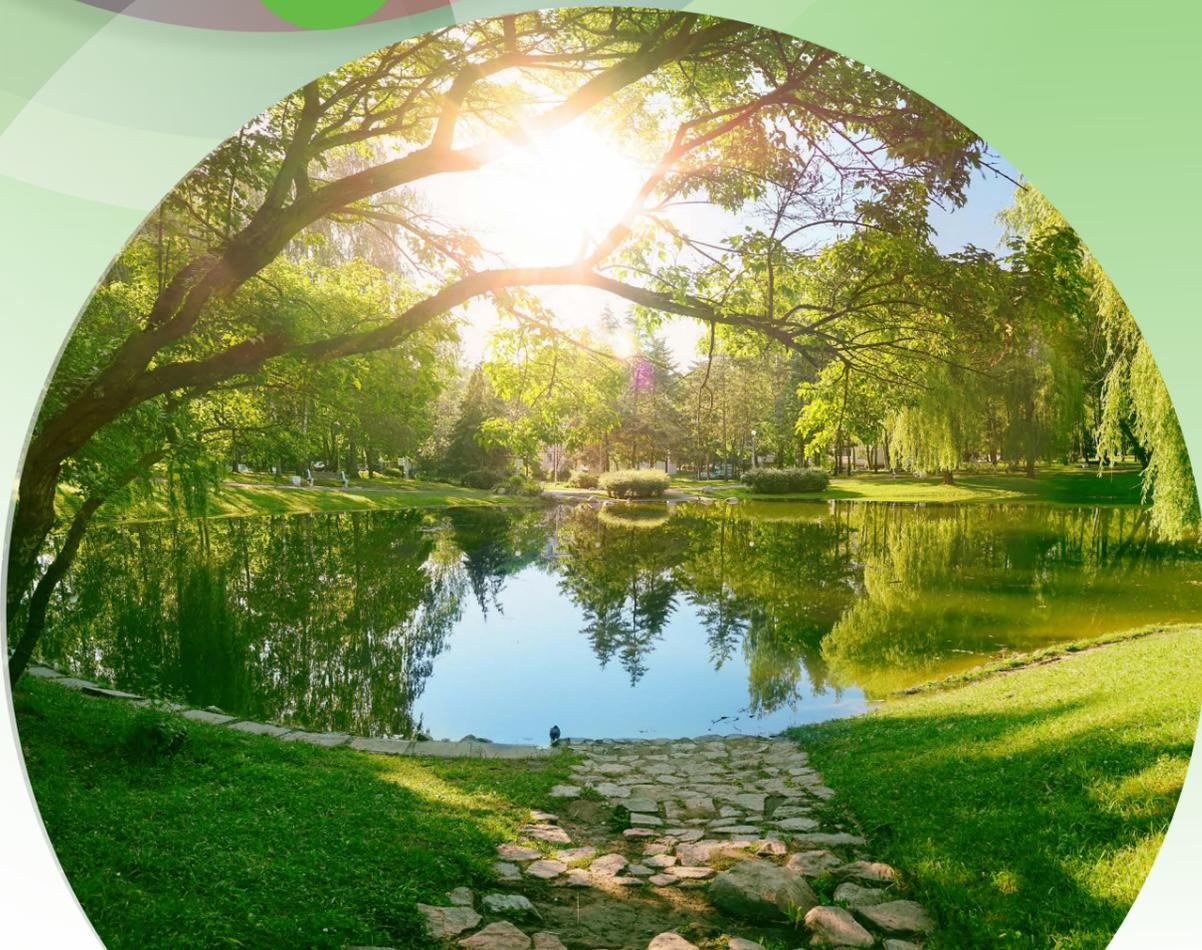
### Employees (Permanent and Contractual)

We maintain a healthy relationship with our employees and strive to create a conducive working environment to nurture talent and provide opportunities to thrive in a competitive environment. Our targeted employee engagement initiatives help keep our people motivated and encourage them to contribute towards shared goals.



Laying a strong emphasis on environmental stewardship, we are promoting sustainable practices across our manufacturing processes and aiming to minimize our ecological impact. Along with adopting a responsible approach, all our operations adhere to strict regulatory standards to fulfil the obligations of a planet positive business.

# Natural Capital



## Energy management

At Gland Pharma, we prioritize the importance of energy management. We realize, energy consumption is a significant contributor to greenhouse gas emissions, and energy prices can directly impact our operating costs. As a result, we encourage the adoption of energy-efficient technologies and switch to renewable energy to meet our energy requirements.

## Energy conservation

We are actively pursuing the use of renewable energy across our operations. By increasing energy efficiency and using alternative sources of energy, we are dedicated to reduce emissions and create the groundwork for a cleaner future.



**88.63 GWh**  
Total energy consumed

**2.12%**  
Energy conserved in FY 2022-23

## Waste management

We are dedicated to minimize waste generation and promote reuse or recycling of resources. As a responsible business, we follow industry best practices to facilitate efficient waste management and employ environment-friendly waste disposal methods in compliance with regulatory guidelines.

**614 MT**  
Waste utilization

## Bio-medical waste

Exposure to biomedical waste can be dangerous for the environment as well as people. To ensure its proper disposal, we have collaborated with an authorized waste management agency, approved by the Telangana State Pollution Control Board (TSPCB).

**77.8 tonnes**  
Waste disposed safely

## Collaboration for efficient waste management

We have also formed a technical alliance with the Ramky Group and GGPEIL's Treatment, Storage, and Disposal Facilities (TSDF) to facilitate safe disposal of e-waste and other waste generated from our production process.

We send solid batches of drugs that fail our rigorous quality tests to the TSDF along with expired chemicals for safe disposal. STP sludge, spent solvents, and other materials are also incinerated. Other batches that do not pass our tests are crushed with the glass crushing machines, and the liquid effluent produced is pre-treated before being delivered to the Common Effluent Treatment Plant (CETP). Additionally, we recycle broken glass and packaging waste generated from our operations.

## Emissions management

We are actively reducing the use of fossil fuels and increasing the use of low-carbon energy sources across our operations to considerably reduce greenhouse gas emissions and other pollutants. We also undertake measures to regularly monitor the air quality at our manufacturing sites and strive to restrict emissions within statutory limits. Additionally, we use electric cars to transport materials between our sites.

## Environmental compliance

At all our manufacturing facilities and corporate headquarters, we abide by environmental norms established by regulatory bodies. We also use boiler fuel with piped natural gas (PNG) instead of furnace oil to lower our stack and

CO<sub>2</sub> emissions. Our Dundigal and Pashamylaram production facilities have completed the move to PNG, and our JNPC API factory plans to follow the same route to reduce its environmental footprint.



**4.52 %**  
Reduction in furnace oil for steam generation

## Water management

Water is one of the most valuable natural resources and we understand the importance of conserving it. Our operations use a substantial amount of water. To prevent water wastage and ensure optimum utilization of water, we regularly monitor our water usage and have also implemented checks and balances to minimize water consumption across our facilities.

The effluent and sewage treatment units at our production facilities are used to treat and recycle waste water. Besides, improvement in the raw water subterranean storage tank has helped to significantly reduce our water usage. Improvements in the water quality sampling process has also minimized water usage to a large extent.

Float valves and automatic tap sensors have been installed to minimize water usage within our facilities. We have also deployed timers for domestic water pumps to reduce water wastage. Our cooling towers use recycled waste water produced through our operations. Meanwhile, the use of boiler stream condensate water as boiler feed water enables us to promote circular economy practices.

# Management Discussion and Analysis

## Economic overview

### Global economy

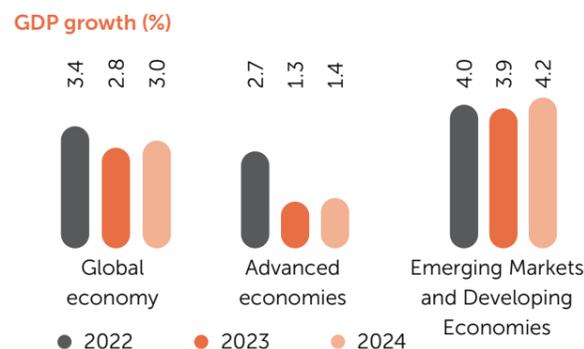
In CY2022, several economies around the world encountered significant challenges due to expanding inflationary pressures and the prolonged conflict between Russia and Ukraine. The persistent increase in interest rates implemented by central banks to alleviate stubborn inflation, along with ongoing food and energy crises in Europe, suppressed economic activity.

The April 2023 World Economic Outlook by the International Monetary Fund (IMF) revealed that the global economy grew by 3.4% in CY2022. However, risks are tilted towards the downside, as debt levels remain elevated, and geopolitical tensions persist.

Over the coming years, a considerable surge in global economic growth is expected due to strong demand in various economies and a sharp reduction in inflation. Emerging and developing economies are expected to play a vital role in accelerating this growth. It is projected that monetary policy tightening will be effective, resulting in a significant decrease in inflation from 8.7% in CY2022 to 7.0% in CY2023 and further down to 4.9% in CY2024.<sup>1</sup>

Throughout CY2023, a gradual increase in global economic output is expected due to stabilising inflationary trends, the revival of consumer sentiment, and growing investor confidence. The employment situation in advanced economies, such as the United States, has improved from pandemic levels, and economic growth is expected to be supported by rising disposable income. Fiscal policies will also play a crucial role, particularly in aiding businesses and individuals affected by the pandemic in the future.

The IMF predicts that India and China will account for more than 50% of global economic growth in CY2023. As challenges faced by the Asia-Pacific region start to subside, emerging markets and developing economies are expected to achieve a growth rate of 3.9% in 2023.<sup>1</sup>



(Source- IMF World Economic Outlook, April 2023)

### Indian economy

The Indian economy has exhibited exceptional resilience despite global challenges in FY2023. The National Statistical Office's second advance estimate predicts that the domestic economy will experience a 7.2% GDP growth rate.<sup>2</sup> Upon examining individual sectors, it becomes evident that the upswing is mainly due to strong domestic demand and heightened construction activity, bolstered by greater infrastructure investments from both the Central and State governments. These developments are also likely to create numerous employment opportunities.

Although still in the early stages of recovery, there are initial indications suggesting that private investment could experience an increase in the post-pandemic period due to a favourable investment cycle in the manufacturing and services sectors. Furthermore, the number of private investment projects currently being implemented in the manufacturing sector has been gradually rising.

According to the Reserve Bank of India, retail inflation in India fell below 6% in March 2023<sup>3</sup>, which was primarily attributed to stabilising commodity prices and lower food prices. The prevailing demand conditions in India appear to be supportive of economic expansion. In order to mitigate the ongoing geopolitical and geo-economic challenges, regulatory bodies have devised policies that effectively mitigate risk to the economy. Furthermore, positive signs have already emerged in several key economic indicators, indicating macroeconomic stability.

Strong indications of economic recovery are evident from high-frequency indicators such as GST collections, growth in railway and air traffic, electronic toll collections, and volume of E-Way bills. India's continued growth momentum places the country in a favourable position to attract investment, making it an appealing investment destination.

As inflation uncertainties are anticipated to decrease, businesses are expected to prioritise growth potential. The Reserve Bank of India is projected to control inflation, manage currency depreciation, and minimise the immediate impact of a fiscal deficit on the economy. A favourable policy environment, combined with a reduction in downside risks, is expected to further improve consumer sentiment, providing some modest relief to the Indian economy.

## Budget highlights in healthcare for FY2023-24

The objectives of the Union Budget for FY 2023-24 are in alignment with India's aspirations for the 'Amrit Kaal' era, which refers to the period preceding the country's 100<sup>th</sup> year of independence. The Union Budget 2023-24 aims to promote inclusive growth and enhance India's status as the world's leading fast-growing large economy.

- The Ministry of Health and Family Welfare has been allocated ₹ 89,155 crore, representing an increase of nearly 3.4% compared to the previous year. Out of which ₹ 86,175 crore has been allocated to the Department of Health and Family Welfare, whereas the Department of Health Research has been allocated ₹ 2,980 crore.
- A campaign aimed at eradicating sickle cell anaemia by the year 2047 is set to be initiated. The campaign will involve creating awareness, conducting universal screening of 70 Mn individuals aged between 0 to 40 years in affected tribal regions, and providing counselling services through cooperative efforts between central ministries and state governments.
- The Indian Council of Medical Research (ICMR) will provide access to its facilities in selected laboratories

for research purposes to public and private medical college faculty members, as well as private sector research and development teams. This is aimed at fostering collaborative research and innovation.

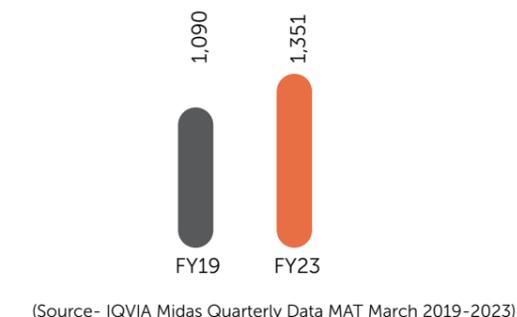
- The allocation of funds for the Ministry of AYUSH has witnessed a growth of 28%, rising from ₹ 2,845.75 crore to ₹ 3,647.50 crore.
- The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) has been split into two sub-schemes. The first sub-scheme will remain as the PMSSY and has been allocated ₹ 3,365 crore. The second sub-scheme is related to the establishment expenses of 22 new AIIMS and has been allocated ₹ 6,835 crore.
- The allocation of funds for the National Health Mission has been raised from ₹ 28,974.29 to ₹ 29,085.26 crore in FY 2023-24. Additionally, the budget for the Pradhan Mantri Jan Arogya Yojna (PM-JAY) has been increased from ₹ 6,412 crore to ₹ 7,200 crore.
- The budget allocation for the National Digital Health Mission-NHM has been augmented from ₹ 140 crore to ₹ 341.02 crore. While the National Tele Mental Health Program received ₹ 133.73 crore.

## Industry overview

### Global pharmaceutical industry

The global formulation market, which was valued at approximately US\$ 1,090 billion in FY19, witnessed a compound annual growth rate (CAGR) of 5.5% and reached a market value of US\$ 1,351 billion in FY23.<sup>4</sup>

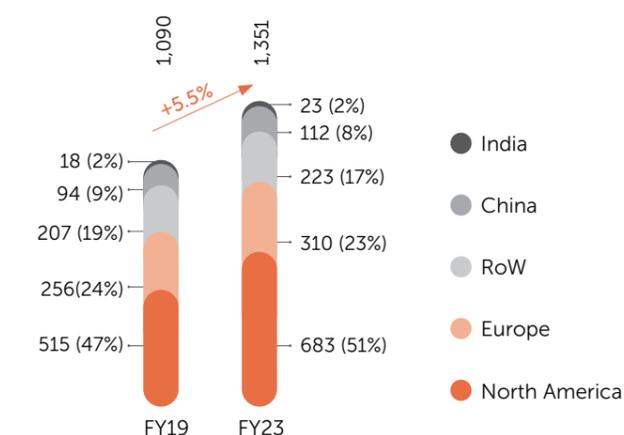
### Global Pharma Market (in US\$ Bn)



## Geographic wise market review

Distinctive growth patterns are evident across various regions of the world, where some regions rely more heavily on volume-driven growth, while others rely more on the adoption of innovative practices. In terms of market value, North America accounts for approximately 51% of the overall market and experienced a compound annual growth rate (CAGR) of around 7.4% during the period from FY19 to FY23. Europe represents approximately 23% of the overall market and grew at a CAGR of approximately 4.8%. Additionally, India represents around 2% of the overall market and witnessed a CAGR of approximately 6.5% during the same period.<sup>5</sup>

### Geographic Segments: Global Pharma Market (in US\$ Bn)



<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

<sup>2</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1928682>

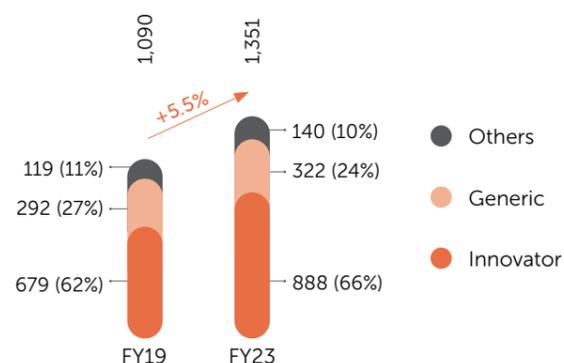
<sup>3</sup>[https://www.mospi.gov.in/sites/default/files/press\\_release/CPI\\_PR\\_12apr23.pdf](https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_12apr23.pdf)

<sup>4</sup>IQVIA Industry Report, June 2023

**Market by product type**

The market share, measured by value, has shown an upward trend for innovator molecules during the period from FY19 to FY23. Generics have traditionally experienced a compound annual growth rate (CAGR) of 2.5%, whereas innovators have achieved a growth rate of 7% CAGR during the same period.<sup>6</sup>

**Innovator and Generic: Market share by Value (US\$ Bn, %)**



(Source-IQVIA Midas Quarterly Data MAT March 2019-2023)



Innovator molecules' market value increased by roughly US\$ 209 Bn from FY19 to FY23, while generics and other product types saw less substantial growth, with increments of about US\$ 30 Bn and US\$ 21 Bn, respectively.

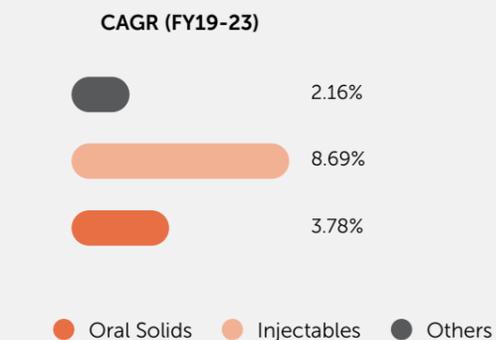
**Market by forms of administration**

The pharmaceutical market is primarily comprised of two major delivery forms, oral solids and injectables. Oral solids, which represent the largest delivery form in terms of value, were estimated to be worth US\$ 573 billion in FY23 and have exhibited a compound annual growth rate (CAGR) of approximately 3.8% during FY19-23. However, the market share of oral solids, measured by value, has decreased from 45% in FY19 to 42% in FY23.



Injectables, on the other hand, rank as the second largest delivery form in the global pharmaceutical market. Injectables have witnessed an increase in their market share, rising from 38% in FY19 to 43% in FY23.<sup>7</sup>

**Global Pharmaceutical Market Form wise (in US\$ Bn)**



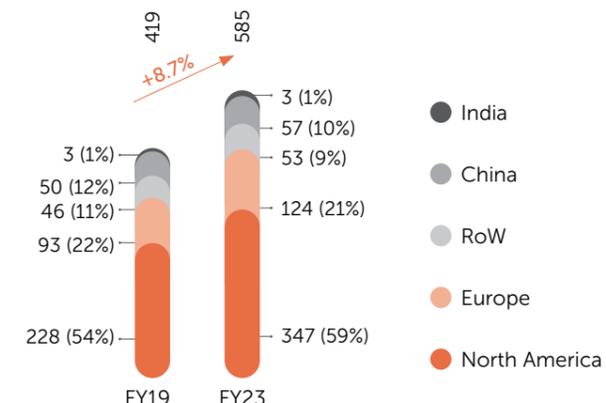
(Source: IQVIA Midas Quarterly Data MAT March 2019-2023)

**Global injectables industry**

Injectables have emerged as the second largest drug delivery system, representing approximately 43% of the global pharmaceutical market in terms of value in FY23. The injectables market achieved an estimated value of US\$ 585 billion in FY23, demonstrating a robust compound annual growth rate (CAGR) of 8.7% during FY19-23.

North America dominates the injectables market with the largest value share of approximately 59% in FY23, amounting to an estimated value of US\$ 347 billion. Europe follows with a market share of around 21%, equivalent to an estimated value of US\$ 124 billion. China holds a 10% market share in the injectables segment, with a market size of approximately US\$ 57 billion. India accounts for a 1% share of the injectables market, valued at US\$ 3 billion.<sup>8</sup>

**Global Injectable Market – Geographical Distribution (in US\$ Bn)**



(Source: IQVIA Midas Quarterly Data MAT March 2019-2023)

**Injectables offer a various advantages compared to conventional dosage forms, including:**

- Enhanced drug bioavailability and rapid onset of action make injectables highly effective in delivering medication.
- Long-acting injectables and depot delivery systems reduce dosing frequency, simplifying drug regimens and improving patient compliance. These parenteral depots also lower the relapse rate of diseases, enhancing treatment effectiveness during the maintenance phase.
- Injectable formulations are especially valuable for patients who struggle with other dosage forms, particularly in cases where oral administration is challenging, such as in a specific group of elderly patients.
- Self-injection technologies, such as pen injectors and auto injectors, have revolutionized the convenience of administering medication, benefiting both healthcare providers and patients.
- The increasing number of new drug formulations with limited water solubility or poor permeability for effective oral absorption has led to a growing preference for injectables as an alternative drug delivery method.

**Injectables have experienced rapid growth compared to other drug delivery forms, primarily attributed to the following factors:**

**The convenience and advantages offered by New Drug Delivery Systems (NDDS)**

- The advancement of innovative injectable delivery devices like autoinjectors, pen injectors, and prefilled syringes (PFS) has expanded the availability of self-administered medications. These New Drug Delivery Systems (NDDS) provide enhanced convenience and safety during self-administration, enabling patients to reduce their frequency of hospital visits.
- The progress in NDDS technology has led to the creation of self-injectors that are now being utilised in various areas beyond diabetes. These include the treatment of orphan diseases in oncology or hormone therapy, where multiple doses are required over a period of time.

**Emerging opportunities**

- The demand for injectable drugs is expanding in the treatment of various conditions, including rheumatoid arthritis, multiple sclerosis, cancers, and autoimmune disorders. Pharmaceutical companies are making significant investments in the development of new and complex molecules to effectively address these diseases through injectable routes.

**Increase in chronic diseases**

- The combination of longer life expectancy and the early emergence of diseases resulting from lifestyle factors, such as sedentary lifestyles, stress, and poor dietary habits, leads to a substantial rise in the prevalence of chronic diseases. This notable increase in conditions like cancer, diabetes, and cardiovascular disorders is a key driver for the growth of the injectables drug delivery market.
- As per a report by the World Health Organisation (WHO), the global prevalence of diabetes has experienced an almost fourfold increase since 1980 and is projected to continue rising. Consequently, there is a growing demand for injectables in response to this trend.
- The use of injectables for delivering chemotherapy drugs is a significant factor driving the growth of injectables on a global scale. The number of new cancer cases reached approximately 19 Mn in 2020, and it is anticipated to exceed 23 Mn by 2030.

**Significant growth in biologics**

- Biologics are increasingly favoured in the pharmaceutical sector, with injectables, particularly prefilled syringes, being preferred for their user-friendly nature, minimal wastage, and enhanced patient safety. The expiration of patents for numerous biologic drugs in the future is anticipated to drive the market for biosimilar products,

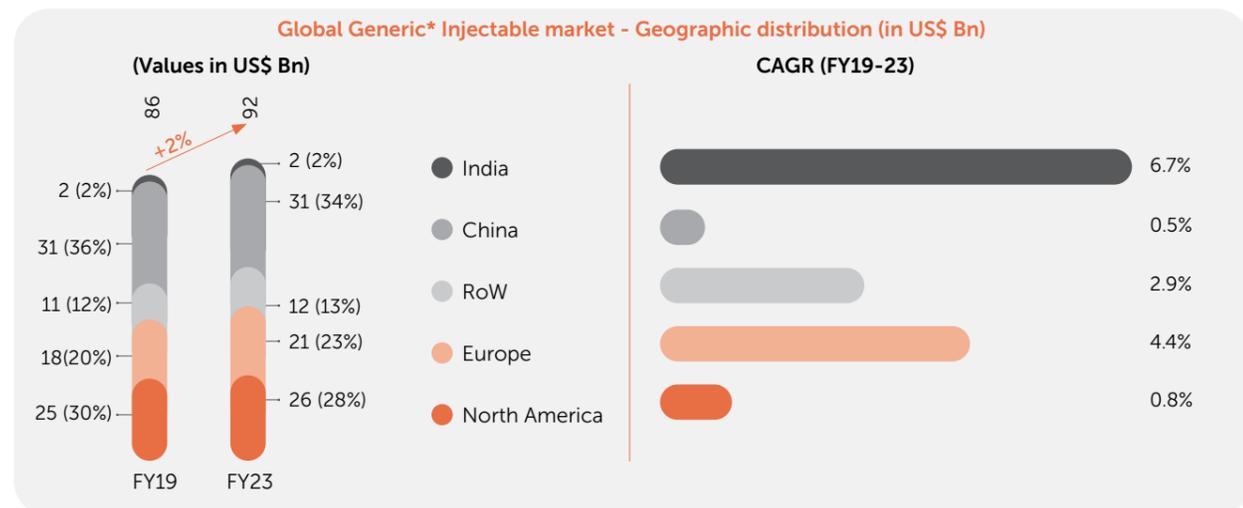
thereby escalating the demand for injectable drug delivery devices tailored to these formulations.

**COVID-19**

- The global demand for injectables has witnessed significant growth due to the COVID-19 pandemic, primarily driven by the increased need for immunisation.

**Global generic injectables industry**

The global market for generic injectables experienced a compound annual growth rate (CAGR) of approximately 1.8% during the period FY19-23. Within this market, the North American segment of generic injectables, accounting for approximately 28% of the market value, grew at a CAGR of 0.8%.<sup>9</sup>



(Source: IQVIA Midas Quarterly Data MAT March 2019-2023.)

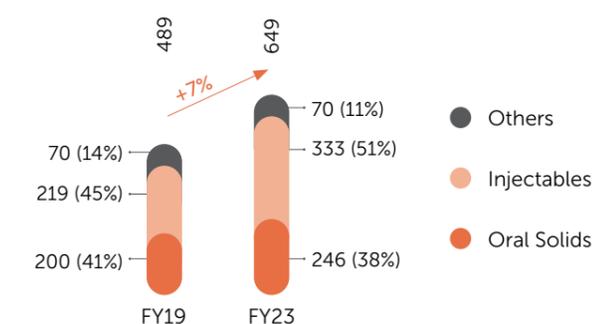
Note: The chart above adopts the generics vs non-generics classification provided in IQVIA MIDAS data. IQVIA MIDAS data also has certain products which are "non-categorised". For the purpose of this chart, such products have been included in the category of generics injectables.

**The US pharmaceutical market**

The pharmaceutical formulation market in the United States was valued at approximately US\$ 649 billion in FY23, with a compound annual growth rate (CAGR) of around 7% during the period FY19-23. Injectables accounted for the largest share of drug delivery systems in the US market, representing approximately 51% of the market value in FY23.

The US injectables market experienced the highest growth rate compared to other drug delivery forms, reaching an estimated value of US\$ 333 billion in FY23, with a CAGR of 11% during FY19-23. Oral solids, the second largest delivery form, were estimated at US\$ 246 billion in FY23, growing at a CAGR of 5.3% over the same period. However, the market share of oral solids (by value) decreased from 41% in FY19 to 38% in FY23.<sup>10</sup>

**US Pharma Market (in US\$ Bn)**



(Source-IQVIA Midas Quarterly Data MAT March 2019-2023)

**Growth drivers**



**Ageing population**

The population of individuals over 65 years is projected to grow at approximately 3% per year, reaching 64.5 Mn by 2025. This ageing population segment will be a significant consumer group for healthcare products and services, including injectables.



**Rising prevalence of lifestyle-related chronic diseases**

In the US, the current number of diabetes patients exceeds 37 Mn, while the prevalence of cardiovascular disorders stands at around 42 Mn individuals as of 2021. It is projected that by 2030, these numbers will increase to approximately 47 Mn.



**Increasing number of lives covered under Affordable Care Act (ACA)**

The number of individuals in the United States with some form of health insurance exceeded 300 Mn as of 2021, marking a substantial rise from 257 Mn insured individuals in 2010.

<sup>9,10</sup>IQVIA Industry Report, June 2023

(Source: IQVIA Midas Quarterly Data MAT March 2019-2023)

**The US Generic injectable market**

The US market for generic injectables experienced a modest growth rate of 0.7%, increasing from US\$ 24.6 billion in FY19 to US\$ 25.3 billion in FY23.<sup>11</sup>

**US Generic Injectable market (in US\$ Bn)**



(Source: IQVIA Midas Quarterly Data MAT March 2019-2023.)

Note: The chart above adopts the generics vs non-generics classification provided in IQVIA MIDAS data. IQVIA MIDAS data also has certain products which are "non-categorised". For the purpose of this chart, such products have been included in the category of generics injectables.

**Biologics & Biosimilars**

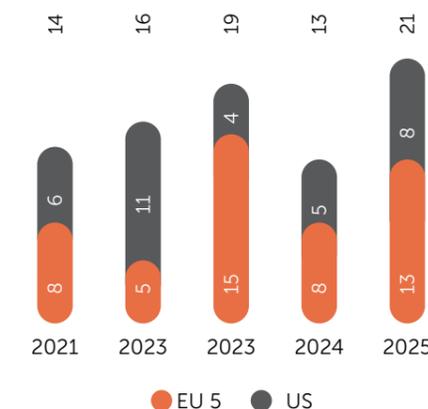
The global market for biologic medicines, including biosimilars, reached a value of US\$ 491 billion in FY23, representing approximately one-third of the global pharmaceutical market. This market is experiencing robust growth, with a 5-year compound annual growth rate (CAGR) of 11.6%. The United States holds the largest share of the biologics market, accounting for over 60%, followed by Europe with over 22%. In the past 5 years, the US biologics market grew at a CAGR of over 13%, while Europe grew at a CAGR of around 10%, reaching a size of nearly US\$ 420 billion. Additionally, the biologics market in China saw significant growth, with a CAGR of approximately 16% over the past 5 years, reaching a size of nearly US\$ 17 billion.

During the upcoming 5-year period, a number of innovative biologic products are anticipated to face loss of exclusivity (LOE), paving the way for the introduction of biosimilars. It is projected that by 2025, approximately US\$112 billion worth of biologic medicines will lose exclusivity in the global market, primarily due to significant loss of exclusivity (LOE) events, such as adalimumab, in the United States. Conversely, Europe has already experienced major LOE events involving drugs like adalimumab, trastuzumab, and bevacizumab. Europe represents a substantial growth opportunity between 2024 and 2029, as nearly 100 biologic medicines are expected to lose exclusivity, with a forecasted sales value exceeding US\$40 billion in their respective expiry years.<sup>12</sup>

<sup>11,12</sup>IQVIA Industry Report, June 2023



During the period of 2022-2025, it is anticipated that approximately 70 biological drugs will face loss of exclusivity in the United States and five major European geographies."



**Challenges for new entrants**

The production of biologic products involves intricate manufacturing procedures that demand advanced manufacturing capabilities and a highly skilled workforce. It also necessitates extensive technical expertise and manufacturing capabilities. Additionally, unlike small molecules, biosimilars undergo the complete clinical trial phases (Phase 1, 2, and 3) for approval. Consequently, the development timeline for biosimilars can span 5 to 7 years, contrasting with the approximately 2-3 years for small molecule generics.

Significant investments in manufacturing equipment, the requirement to attract and retain highly skilled technical personnel, extended product development cycles, and the necessity of conducting clinical trials create substantial barriers for smaller pharmaceutical companies seeking to enter the biosimilars manufacturing sector.

**Contract Development and Manufacturing (CDMO) services for biologics**

Contract Development and Manufacturing Organisation (CDMO) companies specialising in biologics, known as Biologics CDMOs, offer drug development and manufacturing services to large pharmaceutical companies as well as emerging biotech and biopharma firms backed by venture capital.

The growth of Biologics CDMOs is driven by several key factors, including:

- The increasing focus of Big Pharma on research and development (R&D) and commercialisation has created a strong demand environment for Biologics CDMOs. These organisations are being sought after for outsourcing intermittent steps in the drug development and manufacturing process.
- Global CDMOs have developed robust supply-side capabilities, positioning themselves as comprehensive service providers. They offer end-to-end solutions, encompassing discovery, clinical development, and commercialisation services to meet the diverse needs of pharmaceutical companies.

### Company overview

Gland Pharma, established in Hyderabad, India in 1978, is presently one of the leading global players in the domain

of manufacturing generic injectables. The Company has a wide reach, operating in 60 countries worldwide, which include the United States, Europe, Canada, Australia, India, and several other markets. The Company mainly offers its products under the B2B model, and also offers a wide range of services, including contract development, dossier preparation, technology transfer, and manufacturing across various delivery systems. The Company has established a reputation for its excellence in the research and development, manufacturing, and marketing of generic injectables over four decades. Currently, the Company is venturing into the complex injectables and biologic/biosimilar contract development and manufacturing (CDMO) business.

The Company's mission is to enhance the healthcare ecosystem by providing value-added solutions. The Company is involved in multiple therapeutic segments and offers diverse delivery systems to meet the needs of its customers. It is particularly renowned for its sterile injectables, oncology, and ophthalmic products. The Company offers a range of delivery systems, including liquid vials, lyophilized vials, pre-filled syringes, ampoules, bags, and drops.

### Core strengths



#### Specialisation in injectables

The Company has a strong focus on injectables and has established itself as a leader in this segment. It has a wide range of injectable products that are used in critical care, oncology, and other therapeutic areas. Its expertise in injectables has helped the Company to gain a competitive advantage and establish a strong foothold in the global market.



#### Strong Research and Development

The Company has a strong focus on research and development, which is evidenced by its well-equipped R&D centre. It invests a significant amount of its revenue in R&D to develop new drugs and technologies. This has enabled the Company to expand its product portfolio and stay ahead of competitors.

**350**  
Scientists



#### Quality Manufacturing

The Company has state-of-the-art manufacturing facilities that comply with international quality standards such as the United States Food and Drug Administration (USFDA), the European Medicines Agency (EMA), and the World Health Organisation (WHO). The Company has a strong focus on quality control and assurance, which has enabled it to supply high-quality pharmaceutical products to customers worldwide.

**1,564**  
Team size for quality



#### Strong distribution network

The Company has a strong distribution network that covers its presence over 60 countries worldwide. It also has established partnerships with leading pharmaceutical companies in various countries, enabling it to expand its global reach. Its focus on quality products and customer satisfaction has helped the Company to establish a strong brand reputation in the global market.



#### Experienced management team

Gland Pharma has an experienced and competent management team that has a deep understanding of the pharmaceutical industry. The team has a proven track record of successfully managing the Company's operations, expanding its global footprint, and driving growth through innovation and strategic partnerships. The Company's management team is committed to building a sustainable business that delivers value to all stakeholders, including customers, employees, and shareholders.

### Performance during FY 2022-23

#### Business performance

Particulars	FY2022-23	FY2021-22
B2B - IP led - Own ANDA	11,957	10,432
B2B - IP led - Partner ANDA	17,059	23,388
B2B - Tech Transfer	5,296	6,749
B2B - CMO	703	1,193
B2C - India	904	2,079
Export Incentives - India	327	166
<b>Total</b>	<b>36,246</b>	<b>44,007</b>

#### Financial performance

Particulars	FY2022-23	FY2021-22
Revenue from operations	36,246	44,007
EBITDA	10,248	15,102
EBITDA margin (%)	28%	34%
PBT	10,546	16,186
PBT margin (%)	29%	37%
PAT	7,810	12,117
PAT margin (%)	22%	28%

#### Key financial ratios

Particulars	FY2022-23	FY2021-22	Variance
Debtors' turnover	3.72	5.09	-27%
Inventory turnover	1.53	2.18	-30%
Current ratio	9.46	10.05	-6%
EBITDA margin (%)	28%	34%	-18%
Net profit margin	22%	28%	-21%
Return on net worth	11%	19%	-42%

Market wise	3 Years CAGR	YoY Growth	FY 2022-23		FY 2021-22		FY 2020-21		FY 2019-20	
			Revenue	Rev. (%)	Revenue	Rev. (%)	Revenue	Rev. (%)	Revenue	Rev. (%)
Australia	18%	28%	218	1%	171	0%	160	0%	131	0%
New Zealand	NA	NA	11	0	-	-	-	-	-	-
Canada	19%	-4%	796	2%	829	2%	659	2%	469	2%
Europe	17%	-22%	1,870	5%	2,398	5%	1,508	4%	1,169	4%
India	-9%	-60%	2,501	7%	6,278	14%	3,928	11%	3,363	13%
USA	8%	-7%	23,956	66%	25,850	59%	22,918	66%	18,884	72%
ROW	44%	-19%	6,894	19%	8,481	19%	5,455	16%	2,316	9%
<b>Total</b>	<b>11%</b>	<b>-18%</b>	<b>36,246</b>	<b>100%</b>	<b>44,007</b>	<b>100%</b>	<b>34,629</b>	<b>100%</b>	<b>26,332</b>	<b>100%</b>

#### Human resources

The Company's commitment to building a sustainable and diverse workforce is rooted in the belief that a motivated and inclusive team is vital for long-term business success. Throughout the year under review, the Company has prioritised capability building, focusing on enhancing the skills and expertise of its workforce.

With a continued emphasis on growth and development, the Company has expanded its team size, fostering an environment that encourages engagement, creativity, and motivation among employees. Moreover, the Company's dedication to the health, safety, and well-being of its employees has remained a top priority.

To ensure a safe and secure work environment, the Company has implemented a robust health and safety framework, supported by efficient due diligence processes. This commitment to employee welfare is reflected in the Company's workforce, which stood at 4,585 employees on payroll as of March 31, 2023.

By nurturing a diverse and empowered workforce, the Company aims to create an environment where every employee can thrive, contributing to the Company's overall growth and success.

### Adherence to accounting standards

The Company is committed to maintaining the highest standards of financial reporting and adheres to all applicable accounting standards under the Indian Accounting Standards (Ind AS). The Company has established a robust financial reporting system that ensures accurate and timely reporting of financial information. The Company's financial statements are audited by the audit committee to ensure compliance with accounting standards and regulatory requirements.

### Risk Management

Risk management holds a paramount position within the operations of the Company, showcasing its proactive approach towards organised risk mitigation. As a business operating in diverse sectors, the Company acknowledges the susceptibility to various risks stemming from economic, political, legal, environmental, operational, and currency fluctuations, among others.

Under the purview of the Risk Management Committee, the Company has formulated a comprehensive risk management strategy, which is regularly reviewed and monitored by the Executive Management Team. The committee evaluates initiatives aimed at strengthening the risk management framework in alignment with the Company's growth strategy and the ever-evolving business landscape.

To further enhance its risk management capabilities, the Company has engaged the services of a global risk management consultant, fortifying the overall risk management structure. Risks are now meticulously categorised as internal and external, contributing to a robust risk culture that fosters agility, accountability, and effective governance.

By giving utmost importance to risk management, the Company aims to navigate uncertainties with resilience, ensuring sustainable growth while upholding its commitment to responsible and informed decision-making.



### Internal controls

The Company has implemented rigorous procedures for internal controls, overseen by the Board of Directors and Executive Committee. A comprehensive internal control system has been established, which has been continuously improved over the years through investments in enhancing the control framework and process. This is in addition to the existing embedded controls, standards, and monitoring controls that are in place.

### Future strategy

The Company's future strategy will be centred around the core components of geographical expansion, portfolio development, collaborative partnerships, and international business integration.

The Company's focus will be on deepening its presence in strategic markets. This involves getting a higher wallet share from our existing customers in key established markets and broadening its footprint in emerging economies. The Company understands the importance of proximity to these fast-growing markets and will be positioning itself accordingly.

In portfolio development, the Company plans to diversify its product range and enhance its manufacturing capabilities. The Company will invest in advanced technologies and manufacturing lines that support the development of complex, niche products.

The Company's primary focus will continue to be on maintaining high-quality standards across products, processes, and facilities and maintaining its past compliance reputation as a key differentiator.

Our priority will be the seamless integration of our newly acquired businesses. Leveraging synergistic benefits from the Cenexi acquisition in terms of cross-selling, access to new technology, and optimising costs will be key for future success.

### Disclaimer

The Management Discussion and Analysis (MDA) section may contain statements that anticipate future prospects. These statements may involve both known and unknown risks and uncertainties that could result in significant differences between the actual results and the forward-looking statements.

The estimates presented in the report are based on certain assumptions made by the Company, taking into account internal and external information that is currently available. However, the underlying factors of these assumptions are subject to change over time, which may cause corresponding changes in the estimates. It is important to note that forward-looking statements reflect the Company's current intentions, beliefs, or expectations as of the date on which they are made. The Company is under no obligation to revise or update any forward-looking statements based on new information, future events, or other factors.

# Report on Corporate Governance

Gland Pharma ('The Company') believes that all its activities should reflect good corporate governance practices. This would ensure efficient conduct of the affairs of the Company and help in maximizing value for all its stakeholders. Corporate Governance brings about sustained growth and long term benefits for the stakeholders. It is a system by which the organization will be driven and controlled by its commitment to values and ethical business conduct, voluntary practices and compliance with laws and regulations paving way to preserving shareholders' trust while maximizing long-term corporate value.

The Company will continue to employ its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company.

This philosophy is backed by the principles of concern, commitment, quality and integration in all its acts and relationships with its employees, customers, associates and consumers at large which has always propelled the group towards higher horizons. The Company follows a tradition of fair, transparent and ethical governance practices.

The Company believes that sound governance practices and responsible corporate behaviour contribute to superior long-term performance of the Company. The Company is committed to adhere to good corporate governance principles as embodied in its governance policy.

The Company will continue to implement the code of Corporate Governance in true spirit for increasing the wealth and long term benefits for stakeholders over a sustained period of time.

The Company will continue to adhere to all regulatory and statutory requirements in true spirit.

## Governance Structure

The Company has a three level governance structure with defined roles and responsibilities of every constituent of the governance system.

### (i) Board of Directors:

The Board of Directors, at the helm of the Governance structure is responsible for the strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board of Directors exercises independent judgement and plays a vital role in the oversight of the Company's affairs. The Board also ensures adherence to the standards of Corporate Governance and transparency in the Company's functioning.

### (ii) Board Committees:

To effectively discharge its obligations and to comply with the statutory requirements, the Board has constituted six Board Committees. The Committees deal with specific areas that are assigned to them for either final decision-making or appropriate recommendations to the Board. All the committees have a clearly laid down charter and are responsible for discharging their roles and responsibilities as per their charter. The details about these committees have been discussed in detail in subsequent sections in this report.

#### Chairman:

The Chairman acts as the leader of the Board and presides over the meetings of the Board and the shareholders.

#### Managing Director and Chief Executive Officer (MD & CEO):

The MD & CEO works under the supervision of the Board and is responsible for managing the affairs of the Company. He is responsible for the business performance, driving growth, and implementation of the strategic decisions taken at the Board level. As the MD & CEO of the Company, his priorities include articulating the Company's long term strategy based on organic and inorganic initiatives, defining the innovation agenda for the Company, balancing growth imperatives with margin and return on capital thresholds, augmenting the capabilities in operations and support functions, and building a strong talent-focused organisation that is ready to take on the challenges.

### (iii) Executive Committee:

The Executive Committee serves as the apex leadership team to set and deliver the strategic long-term growth agenda. The Executive Committee include the following members: MD & CEO (Chair), Chief Financial Officer, Chief Technical Officer, Senior Vice-Presidents (R&D), Vice-President (Operations), Vice-President (Strategic Sourcing, Planning and Control), Asst. Vice-President (Sales & Marketing) and Vice-President (Human Resources).

## Board of Directors

### Profile of Directors

#### 1. Mr.Yiu Kwan Stanley Lau – Independent Chairman

Mr. Yiu Kwan Stanley Lau is the Chairman and Independent Director of your Company. He holds a Bachelor's degree in Pharmacy from The School of Pharmacy, University of London. He is a director on the board of directors of Solasia Pharma K. K. and TaiLai Bioscience Ltd. He was previously the Chief Executive Officer of Amsino Medical Group, the

Chief Operating Officer of Eddingpharm Investment Co. Ltd, and the President of China Biologic Products, Inc. He has also worked with Merck Sharp & Dohme (Asia) Ltd and Baxter (China) Investment Co., Ltd.

#### 2. Mr.Srinivas Sadu – MD & CEO

Mr. Srinivas Sadu is the MD and CEO of your Company. He holds a Bachelor's degree in Pharmacy from Gulbarga University, a Master's degree in Science from Long Island University, New York and a Master's degree in Business Administration from University of Baltimore. He also holds a Post Graduate certificate in Finance and Management from the London School of Business and Finance. He has previously worked at Natco Pharma Limited at Hyderabad, India. He has over 23 years of experience in business operations and management. He joined your Company as the General Manager – Exports in 2000, and was elevated to the position of Senior General Manager in 2002, Vice President in 2003, Director in 2005, and Chief Operating Officer in 2011. He was appointed as the MD and CEO with effect from April 25, 2019. He was reappointed as MD and CEO for a further period of five years with effect from April 25, 2022.

#### 3. Ms.Naina Lal Kidwai – Independent Director

Ms. Naina Lal Kidwai is an Independent Director of your Company. An MBA from Harvard Business School, she makes regular appearances in listings of international women in business by Fortune and other publications. A recipient of many awards and honours in India, she was awarded the Padma Shri by the Government of India for her contribution to trade and industry. Ms Kidwai has authored three books; "Survive or Sink - An Action Agenda for Sanitation, Water, Pollution and Green Finance", "Contemporary Banking in India" and "30 Women in Power: Their Voices, Their Stories." Ms Kidwai possesses rich experience in the areas of Banking and Finance. She has been a past President of FICCI; is one of the Government of India's representatives on the BRICs Business Council and the INDO-ASEAN Business Council, the Rajasthan Chief Minister's Economic transformation Advisory Council, the Investment Advisory Committee of the Army Group Insurance Fund; on the Governing Board of Lady Shriram College as well as on the Harvard Business School South Asia Advisory Board.

#### 4. Mr.Udo Johannes Vetter - Independent Director

Mr. Udo Johannes Vetter is an Independent Director of your Company. He holds a Bachelor's degree in Science (Pharmacy) from the University of Washington. He has been associated with the Vetter/ Vetter Pharma group of companies since 1987 and is currently the Chairman on the Board of Directors of Vetter Pharma (Corporation).

#### 5. Mr.Satyanarayana Murthy Chavali - Independent Director

Mr. Satyanarayana Murthy Chavali is an Independent Director of your Company. He holds a Bachelor's degree in Technology from Indian Institute of Technology, Madras and a Post Graduate Diploma in Management from Indian

Institute of Management, Bangalore. He was the Chief Executive Officer of Aurigene Discovery Technologies Limited, and has previously worked at Dr. Reddy's Laboratories Limited.

#### 6. Mr.Essaji Goolam Vahanvati - Independent Director

Mr. Essaji Goolam Vahanvati is an Independent Director of your Company. He holds a Bachelor's degree in Law from Government Law College, Mumbai. He is an independent legal practitioner, practising in the Supreme Court of India and Delhi High Court.

#### 7. Mr.Qiyu Chen – Non –Executive Director

Mr. Qiyu Chen is a Non-Executive Director of your Company. He holds a Bachelor's degree in Genetics from Fudan University and a Master of Business Administration from China Europe International Business School. He is the global partner of the Fosun group. He is also a Non-Executive Director on the Board of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., Chairman of Shanghai Fosun High Technology (Group) Co., Ltd, and an Executive Director and Co-Chief Executive Officer on the Board of Fosun International Limited, a company listed on the Stock Exchange of Hong Kong Limited, and Chairman of Fosun Healthcare Holdings, and Fosun Health Insurance and Health Management Group. He is also on the boards of Sinopharm Group Co., Ltd., a company listed on the Stock Exchange of Hong Kong Limited; and Beijing Sanyuan Foods Co., Ltd., a company listed on the Shanghai Stock Exchange. He joined the Fosun group in April 1994 and was appointed as an Executive Director of the Fosun group in May, 2005.

#### 8. Mr.Yao Fang- Non-Executive Director

Mr. Yao Fang is a Non-Executive Director of your Company. He holds a Bachelor's degree in Economics from Fudan University and a Master's degree in Business Administration from The Chinese University of Hong Kong.

Mr. Yao Fang is the Executive President of Fosun International Limited and he is also a Non-Executive Director of Shanghai Fosun Pharmaceutical (Group) Co. Ltd. He had worked previously with Shanghai Wanguo Securities Company Limited (now known as Shenying & Wanguo Securities Company Limited), Shanghai Industrial Assets Management Company Limited, Shanghai Industrial Management (Shanghai) Company Limited, Shanghai Industrial Pharmaceutical Investment Company Limited, Shanghai Overseas Company, Lianhua Supermarket Holdings Company Limited, Shanghai Industrial Holdings Limited, BioSino Bio-Technology and Science Incorporation.

#### 9. Dr. Jia Ai (Allen) Zhang – Non-Executive Director

Dr. Allen is currently working as Sr. Vice President with Shanghai Fosun Pharma Development Co, Ltd. and Executive President, Global R&D Center. He is also a Director in Guilin Pharma Co. Ltd, Yao pharma Co.,

Ltd, Novelstar Pharmaceuticals Inc., Beijing Fosun Co. Ltd, Tridem Pharma Shanghai Limited, Suzhou Erye Pharmaceutical Co. Ltd and few other companies of Fosun Pharma group.

Dr. Allen completed his Doctorate (Ph.D) in Pharmaceutics from Oregon State University and had worked on Vaccine Development and Oral Vaccine Delivery System Design & Optimization. He has a Bachelor's degree in Pharmacy from Shanghai Medical University/Fudan University, College of Pharmacy, Shanghai, China.

### Composition of the Board

The Board represents an appropriate mix of Executive, Non-Executive and Independent Directors, which is compliant with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") and is also in line with the best practices of Corporate Governance. There are no inter-se relationships between your Board members.

### Classification of the Board

Category of Director	Number of Directors (men)	Number of Directors (women)	Total no. of Directors	% of Total no. of Directors
Executive Directors	1	0	1	11.11
Non-Executive Directors	3	0	3	33.33
Independent Directors	4	1	5	55.56
<b>Total</b>			<b>9</b>	<b>100.00</b>

The Board is classified broadly as follows:

Sl. No.	Name of the Director	Status	Category
1	Mr. Yiu Kwan Stanley Lau	Chairman	Independent Director
2	Mr. Srinivas Sadu	Managing Director & CEO	Executive Director (Professional Director)
3	Ms. Naina Lal Kidwai	Director	Independent Director
4	Mr. Udo Johannes Vetter	Director	Independent Director
5	Mr. Satyanarayana Murthy Chavali	Director	Independent Director
6	Mr. Essaji Goolam Vahanvati	Director	Independent Director
7	Mr. Qiyu Chen	Director	Non-Executive & Non- Independent Director
8	Mr. Yao Fang	Director	Non-Executive & Non- Independent Director
9	Dr. Jia Ai (Allen) Zhang	Director	Non-Executive & Non- Independent Director

The statutory details of the directors, including the directorships held by them in other listed companies and their committee memberships/chairpersonships in other public companies, are listed in **Annexure A**.

During the year under review, Mr. Yifang Wu and Ms. Xiaohui Guan were retired by rotation as Directors in the last Annual General Meeting of the Company held on 30<sup>th</sup> August 2022. They did not offer themselves for re-appointment due to non-receipt of security clearance from Ministry of Home Affairs, Government of India. The Company did not appoint any other Directors in the vacancy caused due to the retirement of the said Directors.

Consequently, Mr. Yifang Wu also ceased to be a Member of Nomination and Remuneration Committee and ESOP

Compensation Committee. Ms. Xiaohui Guan also ceased to be a Member of Audit Committee and Corporate Social Responsibility Committee.

The Board placed on record its sincere appreciation for the contributions made by both the Directors as members on the Board.

### Board Skill Matrix

The Board of Directors of the Company comprises of qualified members who possess relevant skills, expertise and competence for the effective functioning of the Company. The following skills / expertise / competencies have been identified as fundamental for the effective functioning of the Company:

### Board Skills/ Expertise/ Competencies

Area of Expertise	Particulars
Global Economics	Understanding of diverse business environments, regulatory framework, economic & political conditions and cultures globally
Corporate Governance	Protection of stakeholders' interest, observing best governance practices, identifying key governance risks
General Management, Human Resource and Leadership	General know-how of business management, talent management and development, workplace health & safety
Pharmaceuticals, Science and Technology	Significant background and experience in pharmaceuticals sector, science and technology domain
Information Technology	Knowledge on Information Technology in day-to-day business activities
Finance & Accounts	Proficiency in financial management, financial reporting process, budgeting, treasury operations, audit, capital allocation
Manufacturing, Quality and Supply Chain	Operational expertise and technical know-how in the area of manufacturing, quality and supply chain
Sales, Marketing, Commercial	Experience in strategizing market share growth, building brand awareness, enhancing enterprise reputation
M&A and Business Development	Examining M&A deals for inorganic growth in line with the Company's growth strategy

The skills which are currently available with the Board members have been mapped below:

Name	Global Economics	Corporate Governance	General Management, Human Resource and Leadership	Pharmaceuticals, Science & Technology	Information Technology	Finance & Accounts	Manufacturing Quality & Supply Chain	Sales, Marketing, Commercial, M&A and Business Development
Yiu Kwan Stanley Lau	✓	✓	✓	✓	✓			✓
Srinivas Sadu	✓	✓	✓	✓	✓		✓	✓
Qiyu Chen	✓	✓	✓	✓	✓		✓	✓
Yao Fang	✓	✓	✓	✓	✓		✓	
Udo Johannes Vetter	✓	✓	✓	✓	✓		✓	✓
Satyanarayana Murthy Chavali	✓	✓	✓	✓	✓	✓		✓
Essaji Goolam Vahanvati	✓	✓	✓	✓	✓	✓		✓
Naina Lal Kidwai	✓	✓	✓	✓	✓	✓		✓
Dr. Jia Ai (Allen) Zhang	✓	✓	✓	✓	✓		✓	

### Board Membership Criteria and Selection Process

The Nomination and Remuneration Committee (hereinafter referred as 'NRC') is responsible for identifying and evaluating a suitable candidate for the Board. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have an appropriate mix of skills, experience, independence and knowledge for continued effectiveness. We acknowledge the importance of diversity in the Boardroom as a driver of effectiveness. For the Board, diversity encompasses plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes.

To ensure a transparent selection process, the guidance on eligibility criteria and attributes for an individual's appointment on the Board, including Independent Directors, has been

defined in the Nomination and Remuneration Policy and Board Diversity Policy of the Company. The candidate is, inter alia, screened based on background, knowledge, skills, abilities (including their ability to exercise sound judgement), professional experience and functional expertise, and educational and professional background. The NRC recommends the appointment of a candidate based on the defined criteria and attributes. The Board, on recommendation of the NRC and profile of the candidate, recommends the appointment to the members of the Company, wherever applicable, for their approval.

### Role of the Board of Directors

The Board of Directors is the apex body constituted by the shareholders and is vested with the powers of governance,

giving strategic and operational direction and to control the affairs of the Company. In order to make an informed decision, the Board of Directors have access to all relevant information and are free to approach the employees of the Company. Driven by the principles of Corporate Governance Philosophy, the Board strives to work in best interest of the Company and its stakeholders. The matters required to be placed before the Board, inter-alia, include:

- Annual operating plans, capital budgets and updates therein
- Supervision of financial and tax management strategies
- Reviewing and guiding the corporate strategy
- Proposals requiring strategic guidance and approval of the Board
- Regular business / function updates
- Update on Corporate Social Responsibility (CSR) activities
- Significant changes in accounting policies and internal controls
- Takeover of a company or acquisition of a controlling or substantial stake in another company
- Details of joint venture or collaboration agreements and M&A
- Sale of investment, subsidiaries, assets which are material in nature and not in the normal course of business
- Quarterly and annual consolidated and standalone results & financial statements of the Company
- Show cause, demand, prosecution notices and penalty notices, if material
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company
- Any issue which involves possible public or product liability claims of substantial nature, if any
- Significant labour problem and their proposed solutions
- Minutes of meetings of the Board and its committees, resolutions passed by circulation, and Board minutes of unlisted subsidiary companies
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property
- Human resource updates and strategies
- Quarterly compliance certificate which includes non-compliance, if any, of regulatory, statutory nature or listing requirements and shareholders service

- Appointment and remuneration of Directors, Key Managerial Personnel and Senior Management;
- Performance evaluation of the Board, its committees and each director
- Formation/re-constitution of committees
- Significant transactions or arrangements by subsidiary companies
- Statutory disclosures received from the directors

### Independent Directors

The Nomination and Remuneration Policy and the Board Diversity Policy set out the criteria for appointment of Independent Directors. Each Independent Director, at the time of appointment, and thereafter at the beginning of each financial year submits a declaration confirming their independence as well as compliances under section 149(6) and the rules made thereunder, Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The declaration of independence received from the Independent Directors are noted and taken on record by the Board. In the opinion of the Board of Directors, the Independent Directors fulfil the criteria of independence as stated under 149(6) as well as the rules made thereunder of the Companies Act, 2013; Regulation 16(1)(b) of the Listing Regulations and are independent of the management. In compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014; the Independent Directors have registered themselves on the data bank maintained by the Indian Institute of Corporate Affairs. None of the Independent Directors of the Company serve as an Independent Director in more than 7 listed companies or as a Whole-Time Director in any listed Company. As a process, at the time of appointment / re-appointment, each Independent Director is issued a formal letter of appointment containing the terms of appointment, roles and duties, the evaluation process, applicability of Code of Conduct of the Company and Code of Conduct on Prevention of Insider Trading etc. The draft letter of appointment is available on the Company's website, at <https://glandpharma.com/investors/corporate-governance>

### Meeting of Independent Directors:

Pursuant to Schedule IV of the Companies Act, 2013; the Independent Directors will meet without the presence of the management and Non-Executive Directors. During the year under review, the five Independent Directors met once on 27<sup>th</sup> March, 2023. The Independent Directors inter alia discuss matters arising out of the agenda of the Board and Board committees, Company's performance, identify areas where they need clarity or information from management. They review the performance of the Board as a whole as well as that of Non-Independent Directors, MD & CEO and the Chairman

by considering the views of Executive and Non-Executive Directors. They also assess the quality, quantity, effectiveness and promptness of the flow of information between the Company's management and the Board. They periodically meet the Statutory Auditor and the Internal auditor without the presence of the management to understand the overall quality of audit, quality of financials, key financial matters and corrective actions to be taken for strengthening the internal controls of the Company and their general feedback.

### Familiarisation Programme for Board Members Induction

Gland has a robust induction process that enables newly appointed directors to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. All the Directors of the Company are made aware of their roles and duties at their time of appointment / re-appointment through a formal letter of appointment, which also stipulates other terms and conditions of their appointment. The Company has an orientation process which includes one-to-one interactive sessions with the Executive Committee members. The directors are apprised about the nature of industry, business model, existing group structure, Company's Code of Conduct, Insider Trading Code, brief profile of other Board members, Memorandum and Articles of Association, financial results of past one year, committee charters, Whistle Blower policy, CSR policy, Policy on dealing with related party transactions, etc. The Company also arranges factory visits for the directors to gain a better understanding of Company's business.

### Regular familiarisation:

As part of their ongoing training, business / functional heads make regular strategic presentations to the Board. Board members are regularly updated regarding key developments in the Company and on any important regulatory amendments applicable to the Company. The Directors are provided regular updates on the business units / subsidiary companies, business performance, operations, finance and risk management framework, etc. The Statutory Auditors and the Internal auditor meet with the Independent Directors to discuss Company's affairs without the presence of management.

During FY 2022-23, the Company comprehensively updated the familiarisation programme to cover its enhanced initiatives and inclusion of brief topics discussed during FY 2021-22. Details of the familiarisation programme for the Independent directors are put up on the Company's website <https://glandpharma.com/investors/corporate-governance>

### Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board had carried out an annual evaluation of its own performance and of its committees as well as the performance of each individual director.

### Board Evaluation Criteria

Feedback was sought based on the evaluation criteria approved by the NRC for evaluating the performance of the Board, its committees and individual directors. The Chairman, MD & CEO and the Independent Directors were evaluated on a few additional parameters. The criteria for performance evaluation include the following:

- **The Board** – Structure, composition of the Board, Board meeting schedule, agenda and collaterals, Board meeting practices and overall effectiveness of the Board.
- **Board committees** – Composition, their role and responsibilities, information flow and effectiveness of the meetings, recommendations to the Board, effectiveness of committee chairpersons, etc.
- **Individual Director** – Attendance at the meetings, preparedness for discussion, quality of contribution, engagement with fellow Board members, key managerial personnel and senior management, etc.
- **The Chairman** – Leadership of the Board, promoting effective participation of all Board members in the decision-making process, etc.
- **Independent Directors** – Independence from the Company, exercising independent judgement in decision-making, contributing strongly to the objectivity of the Board's deliberations based on their external expertise, etc.
- **MD & CEO** – He was additionally evaluated against the Key Performance Indicators (hereinafter referred as 'KPIs') set at the beginning of the financial year, which, inter alia, included both long-term and short-term financial and non-financial performance parameters. The financial parameters included targets on revenue, EBITDA, PAT, etc. The non-financial parameters cover areas such as strategy and portfolio, talent and leadership management, succession planning, operations and quality, etc. The Board and the NRC regularly reviews the progress on the KPIs. The evaluation report was also discussed at the meeting of the Board of Directors, committees and the Independent Directors.

The directors were satisfied with the Company's standard of governance, its transparency, meeting practices and overall Board effectiveness.

### Succession Planning of the Board and Senior Management

The NRC reviews and manages the succession planning of top leadership positions in the Company. It defines the leadership competencies and takes suitable steps to build robust succession plans. The NRC reviews the succession planning on a regular basis.

## Board Meetings & Procedure

The Board and the Board committee meetings are pre-scheduled and an annual calendar of the meetings is circulated to the directors well in advance to facilitate planning of their schedule and to ensure meaningful participation in the Board and committee meetings. However, in case of urgent matters, the Board's approval is taken by passing resolutions by circulation. The Board, Audit Committee and the NRC are facilitated with the annual agenda plan in advance. The management team is invited to provide update on the Company's performance in key areas such as the major business segments, key functions and subsidiaries. The Chief Financial Officer is an invitee to all the Board meetings of the Company. The Company Secretary finalises the agenda for the meetings in consultation with the Chairman and the MD & CEO and the same is circulated to the Board/Committee members in advance. With respect to the agenda for the committee meetings, the chairperson of the respective committee is consulted while finalising the agenda. In special and exceptional circumstances, additional item(s) are taken up as 'any other item' with the permission of the respective chairperson and consent of majority of the Board / respective committee members present at the meeting. The agenda of the Board and committee meetings is circulated electronically.

## Attendance of the Directors

Information about the attendance of directors at the Board meetings either in person or through video conference during FY 2022-23 and at the last Annual General Meeting (AGM) is stated below:

Sl. No.	Name of the Director	No. of Board Meetings Director was entitled to attend	Particulars	
			No. of Board Meetings Participated	Last AGM (30.08.2022)
1	Mr. Yiu Kwan Stanley Lau	8	8	Yes
2	Mr. Srinivas Sadu	8	8	Yes
3	Mr. Qiyu Chen	8	4	No
4	Mr. Yifang Wu *	3	3	No
5	Ms. Xiaohui Guan*	3	3	No
6	Mr. Udo Johannes Vetter	8	8	No
7	Mr. Satyanarayana Murthy Chavali	8	8	Yes
8	Mr. Essaji Goolam Vahanvati	8	6	No
9	Ms. Naina Lal Kidwai	8	8	Yes
10	Dr. Jia Ai (Allen) Zhang	8	8	Yes
11	Mr. Yao Fang	8	8	Yes

\* Mr. Yifang Wu and Ms. Xiaohui Guan retired as Directors w.e.f. 30<sup>th</sup> August, 2022.

## Post-Meeting Follow-up System

The Company has an effective post-meeting follow-up system. The Company tracks important decisions taken and discussions held at the Board and Board committee meetings till their closure. After each Board and Board committee meeting, action points arising out of it are immediately informed to the respective owners for required action.

## Number of Board Meetings held

The Board of Directors met 8 times on 29<sup>th</sup> April, 2022; 19<sup>th</sup> May, 2022; 20<sup>th</sup> July, 2022; 17<sup>th</sup> October, 2022; 26<sup>th</sup> October, 2022; 25<sup>th</sup> November, 2022; 23<sup>rd</sup> January, 2023 and 29<sup>th</sup> March, 2023.

## Minutes of the Board & Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Board committee meetings. Draft minutes are circulated to the Board and the respective committee members for their inputs and comments. The finalised minutes are entered in the respective minute's books within 30 days from the conclusion of the meeting. A certified copy of the signed minutes are also circulated to the Board and respective committee members in compliance with the Secretarial Standard - 1.

**Remuneration to Directors:** The details of remuneration to directors during FY 2022-23 are given below:

## Executive Director

Name of the Director	Salary	Commission	PF	Perquisites	Others	(Amt in ₹ Mn)
						Total
Mr. Srinivas Sadu	67.70	-	2.97	-	-	70.67

## Non-Executive Directors

Sl. No.	Name of the Director	Particulars of remuneration			Total amount
		Sitting fees	Commission	Others	
<b>Independent Directors</b>					
(i)	Mr. Satyanarayana Murthy Chavali	0.80	2.50	-	3.30
(ii)	Mr. Yiu Kwan Stanley Lau	0.80	4.94	-	5.74
(iii)	Mr. Essaji Goolam Vahanvati	0.60	2.50	-	3.10
(iv)	Mr. Udo Johannes Vetter	0.80	2.50	-	3.30
(v)	Ms. Naina Lal Kidwai	0.80	10.00	-	10.80

As per the Nomination and Remuneration policy, the independent Directors of the Company are being paid Commission on the profits of the Company as approved by the shareholders of the Company, which may vary from One Independent Director to another. In no case, the commission shall exceed 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013. The Independent Directors are not entitled to stock options.

The Non-Executive Directors do not have any pecuniary relationship or transactions with the Company during FY 2022-23. None of the Non-Executive Directors were paid Sitting fee, as they are employees of the Promoter group. The Non-Executive Directors are not entitled to stock options.

The sitting fee is paid immediately after the respective Board Meeting to Independent Directors who attend the meetings. The commission to Independent Director is payable at the end of the financial year after the annual financial statements are approved by the Board.

All the directors are entitled to reimbursement of reasonable expenses incurred during the performance of their duty as a director.

None of the Directors are related to each other or to any of the Key Managerial Personnel.

## Number of shares and convertible instruments held by Non- Executive Directors

None of the Directors of the Company including Non-Executive Directors hold any Shares or Convertible instruments, as on 31<sup>st</sup> March, 2023.

## Board committees

The Board committees are set up by the Board and are governed by their respective terms of reference which exhibit their scope and responsibilities. Presently, the Board has six committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Share

Transfer Committee, Risk Management Committee, Corporate Social Responsibility Committee and ESOP Compensation Committee. The committees operate under the direct supervision of the Board. Generally, Committee meetings are held prior to the Board meeting and the Chairperson of the respective committees report to the Board about the deliberations and decisions taken by the committees.

## Audit Committee

**Composition of the Audit Committee:** The Audit Committee currently comprises of three Independent Directors. The Committee is headed by Mr. Satyanarayana Murthy Chavali. Mr. Essaji Goolam Vahanvati and Mr. Udo J Vetter are the members of the Audit Committee. The Company Secretary of the Company is the Secretary to the Committee. The composition of the Committee meets the requirements of section 177 of the Companies Act, 2013 and the SEBI Listing Regulations.

## Role of Audit Committee

The role of the Audit Committee is as per the terms of reference of the Audit Committee as approved by the Board of Directors and in line with the Companies Act, 2013 and SEBI Listing Regulations, which are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any services other than the Statutory Audit rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:

- a) Matters required to be included in the Directors' responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013;
- b) Changes, if any, in accounting policies and practices and reasons for the same;
- c) Major accounting entries involving estimates based on the exercise of judgment by the management;
- d) Significant adjustments made in the financial statements arising out of audit findings;
- e) Compliance with listing and other legal requirements relating to financial statements;
- f) Disclosure of any related party transactions; and
- g) Qualifications and modified opinion(s) in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board of Directors for approval;
6. Examination of the financial statement and auditor's report thereon;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
22. Carrying out any other function as may be required / mandated as per the provisions of the Companies Act, 2013; SEBI Listing Regulations and/or any other applicable laws;
23. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹ 1,000 Mn or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
24. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the listed entity and its shareholders.
- The audit committee shall mandatorily review the following information:
- (1) management discussion and analysis of financial condition and results of operations;
  - (2) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (4) internal audit reports relating to internal control weaknesses;
  - (5) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
  - (6) statement of deviations as and when becomes applicable:
    - (a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Meetings of Audit Committee

During the year under review, the Audit Committee met on 19<sup>th</sup> May, 2022; 20<sup>th</sup> July, 2022; 26<sup>th</sup> October, 2022; 09<sup>th</sup> December, 2022; 23<sup>rd</sup> January, 2023 and 29<sup>th</sup> March, 2023.

### Composition and attendance of Audit Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	6
Mr. Essaji Goolam Vahanvati	Member	Independent Director	4
Ms. Xiaohui Guan* (till 30.08.2022)	Member	Non-Executive Director	2
Mr. Udo Johannes Vetter (appointed w.e.f. 20.07.2022)	Member	Independent Director	4

\* Ms. Xiaohui Guan ceased to be member of Audit Committee w.e.f. 30<sup>th</sup> August, 2022 as she has retired as a Director.

Mr. Srinivas Sadu, Managing Director & CEO, Mr. Ravi Shekhar Mitra, CFO and Mr. Wu Rong, Financial Controller of the Company are the Special invitees to every Audit Committee Meeting.

The average attendance of the members at the Audit Committee meetings during FY 2022-23 was 88.89%. The Chairman of the Committee was present at the last AGM held on 30<sup>th</sup> August, 2022.

### Nomination and Remuneration Committee (NRC)

#### Composition of the Nomination and Remuneration Committee

The NRC currently comprises of three Independent Directors. The Committee is headed by Mr. Satyanarayana Murthy Chavali and has Mr. Essaji Goolam Vahanvati and Mr. Udo J Vetter as its members. The Company Secretary of the Company is the Secretary to the NRC. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

#### Role of Nomination and Remuneration Committee

The role of the NRC is as follows:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that –

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agency, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.

3. Formulating criteria for evaluation of performance of Independent Directors and the Board of Directors;

4. Devising a policy on diversity of the Board of Directors;

5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

6. Appointment, extension or continuing the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

7. Recommending to the Board, all remuneration, in whatever form, payable to senior management.

8. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable; and

9. Performing such other functions as may be necessary or appropriate for the performance of its duties.

During the year under review, the Nomination and Remuneration Committee met on 19<sup>th</sup> May, 2022; 23<sup>rd</sup> January, 2023 and 29<sup>th</sup> March, 2023.

#### Composition and attendance of Nomination and Remuneration Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	3
Mr. Essaji Goolam Vahanvati	Member	Independent Director	1
Mr. Udo Johannes Vetter	Member	Independent Director	3
Mr. Wu Yifang	Member (till 30.08.2022)	Non-Executive Director	0

The average attendance of the members at the Nomination and Remuneration Committee meetings during FY 2022-23 was 70%. The Chairman of the Committee was present at the last AGM held on 30<sup>th</sup> August, 2022.

#### Stakeholders' Relationship Committee and Share Transfer Committee (SRC)

##### Composition of the Stakeholders' Relationship Committee and Share Transfer Committee

The SRC currently comprises of two Non-Executive Directors and One Executive Director. Out of the two Non-Executive Directors, one is Independent Director and is the Chairman of the Committee. The Committee is headed by Mr. Satyanarayana Murthy Chavali and has Mr. Yao Fang and Mr. Srinivas Sadu as its members. The Company Secretary of the Company is the Secretary to the SRC. The Compliance Officer of the Company is Mr. P. Sampath Kumar, Company Secretary of the Company.

The composition of the Committee meets the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

##### Role of SRC

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, notice for general meetings, etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

##### Complaints received and resolved during the year ended 31<sup>st</sup> March, 2023

Complaints received during the year: 2  
Complaints resolved during the year: 2  
Complaints pending at the end of the year: NIL

During the year under review, the Stakeholders' Relationship Committee and Share Transfer Committee met on 19<sup>th</sup> May, 2022; 20<sup>th</sup> July, 2022; 26<sup>th</sup> October, 2022 and 23<sup>rd</sup> January, 2023.

#### Composition and attendance of Stakeholders' Relationship Committee and Share Transfer Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	4
Mr. Srinivas Sadu	Member	Managing Director & CEO	4
Mr. Yao Fang	Member	Non-Executive Director	4

The average attendance of the members at the Stakeholders' Relationship Committee and Share Transfer Committee meetings during FY 2022-23 was 100%.

The composition of the Committee meets the requirements of the Companies Act, 2013.

##### Role of CSR Committee

- Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;

#### Corporate Social Responsibility (CSR) Committee

##### Composition of the CSR Committee

The CSR Committee currently comprises of two Non-Executive Directors and One Executive Director. Out of the two Non-Executive Directors, one is Independent Director. Mr. Srinivas Sadu, MD & CEO is the Chairman of the Committee. The Company Secretary of the Company is the Secretary to the CSR Committee.

- Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years;
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
- Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

During the year under review, the Corporate Social Responsibility Committee met on 18<sup>th</sup> May, 2022 and 20<sup>th</sup> January, 2023.

#### Composition and attendance of Corporate Social Responsibility Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Srinivas Sadu	Chairman	CEO & Managing Director	2
Mr. Essaji Goolam Vahanvati	Member	Independent Director	2
Ms. Xiaohui Guan	Member (till 30.08.2022)	Non-Executive Director	1
Dr. Jia Ai (Allen) Zhang	Member (w.e.f.20.07.2022)	Non-Executive Director	1

The average attendance of the members at the CSR Committee meetings during FY 2022- 23 was 100%.

#### Risk Management Committee

##### Composition of the Risk Management Committee

The Risk Management Committee currently comprises of three Directors, out of which Ms. Naina Lal Kidwai, the Chairperson of the Committee is an Independent Director. Mr. Srinivas Sadu, MD & CEO, Mr. Yao Fang, Non-Executive Director and Mr. Ravi Shekhar Mitra, CFO are the members of the Committee. The Company Secretary of the Company is the Secretary to the Risk Management Committee.

The composition of the Committee meets the requirements of the SEBI Listing Regulations.

##### Role of Risk Management Committee

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business Continuity Plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- To coordinate with other committees where there is an overlap of activities with other committees, as per the framework as laid down by the Board of Directors of the Company;
- Review the adequacy and effectiveness of various risk management initiatives of the organisation and approve appropriate risk management framework;
- Provide directions to ensure effective implementation of various risk management practices across the organization;
- Review of Risk Register and Risk Profile (including mitigation plans) of the organisation;
- Establishment of the risk management structure and authorizing roles and responsibilities for key stakeholders;
- Allocating adequate resources for treating critical risks and (or) risk events;
- Monitor and review the risk management plan; and
- Discharge such duties and functions as may be delegated to the Committee by the Board under the applicable laws from time to time.

During the year under review, the Risk Management Committee met on 29<sup>th</sup> August, 2022 and 24<sup>th</sup> February, 2023.

#### Composition and attendance of Risk Management Committee

Name of the Director / Officer	Position	Category	No. of Meetings attended
Ms. Naina Lal Kidwai	Chairperson	Independent Director	2
Mr. Srinivas Sadu	Member	CEO & Managing Director	2
Mr. Yao Fang	Member	Non-Executive Director	2
Mr. Ravi Shekhar Mitra	Member	CFO	2

The average attendance of the members at the Risk Management Committee meetings during FY 2022-23 was 100%.

#### ESOP Compensation Committee

##### Composition of the ESOP Compensation Committee

The ESOP Compensation Committee currently comprises of three Independent Directors. The Committee is headed by Mr. Satyanarayana Murthy Chavali and has Mr. Essaji Goolam Vahanvati and Mr. Udo J Vetter as its members. The Company Secretary of the Company is the Secretary to the ESOP Compensation Committee.

##### Role of ESOP Compensation Committee

- To act upon and implement the ESOP Scheme, 2019 (Scheme);
- To grant options to employees or Directors of the Company as per the Scheme;

- To formulate from time to time any new Employee Stock Option scheme, subject to the Employee Stock Option Plan, 2019;
- To decide or modify or alter the terms and conditions of any new ESOPS Scheme;
- To take all such other acts, deeds and things as may be required to give effect for effective implementation of ESOP scheme or any other new scheme as may be formulated from time to time;
- To make suggestions or recommendations to the Board of Directors as may be required from time to time about proposal for ESOPS;
- To decide upon eligibility, grant of options, exercising options, ceasing of options, cancellation of options;
- To allot shares to the Grantees upon exercise of their options; and
- To take up any other matter relating to the present and future ESOP Scheme.

During the year under review, the ESOP Compensation Committee met on 29<sup>th</sup> April, 2022; 15<sup>th</sup> June, 2022; 15<sup>th</sup> September, 2022; 24<sup>th</sup> November, 2022 and 29<sup>th</sup> March, 2023.

#### Composition and attendance of ESOP Compensation Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	4
Mr. Essaji Goolam Vahanvati	Member	Independent Director	5
Mr. Udo Johannes Vetter	Member	Independent Director	4
Mr. Wu Yifang	Member (till 30.08.2022)	Non-Executive Director	0

The average attendance of the members at the ESOP Compensation Committee meetings during FY 2022-23 was 76.47%.

#### Policies

In pursuance of the Company's policy to adhere to the ethical and governance standards, the Company, has inter-alia, the following policies and codes. All of them are available on the website – [www.glandpharma.com](http://www.glandpharma.com)

Policy	Website Link
Policy for Materiality and Disclosure	<a href="https://glandpharma.com/images/Policy_for_determination.pdf">https://glandpharma.com/images/Policy_for_determination.pdf</a>
Policy on Related Party Transactions	<a href="https://glandpharma.com/images/Policy_of_Related_Party_Transactions.pdf">https://glandpharma.com/images/Policy_of_Related_Party_Transactions.pdf</a>
Policy on Familiarization programme for Independent Directors	<a href="https://glandpharma.com/images/Details_of_familiarization.pdf">https://glandpharma.com/images/Details_of_familiarization.pdf</a>
Board Diversity policy	<a href="https://glandpharma.com/images/Policy_on_diversity.pdf">https://glandpharma.com/images/Policy_on_diversity.pdf</a>
Code of Conduct for Board of Directors and Senior Management	<a href="https://glandpharma.com/images/Code_conduct.pdf">https://glandpharma.com/images/Code_conduct.pdf</a>
Policy on succession planning for Board and Senior Management	<a href="https://glandpharma.com/images/Succession_plan_directors_management.pdf">https://glandpharma.com/images/Succession_plan_directors_management.pdf</a>
Nomination and Remuneration Policy	<a href="https://glandpharma.com/images/Nomination_and_remuneration_policy.pdf">https://glandpharma.com/images/Nomination_and_remuneration_policy.pdf</a>
Dividend Distribution policy	<a href="https://glandpharma.com/images/Dividend_distribution_policy.pdf">https://glandpharma.com/images/Dividend_distribution_policy.pdf</a>
Prohibition of Insider Trading Policy	<a href="https://glandpharma.com/images/Insider_trading_policy.pdf">https://glandpharma.com/images/Insider_trading_policy.pdf</a>
Policy for evaluation of Independent Directors and Directors	<a href="https://glandpharma.com/images/Policy_on_evaluation.pdf">https://glandpharma.com/images/Policy_on_evaluation.pdf</a>
Policy for determining 'material' subsidiaries	<a href="https://glandpharma.com/images/Policy_for_determining_Material_Subsidiaries.pdf">https://glandpharma.com/images/Policy_for_determining_Material_Subsidiaries.pdf</a>
Whistle Blower Policy	<a href="https://glandpharma.com/images/whistle_blower_policy.pdf">https://glandpharma.com/images/whistle_blower_policy.pdf</a>

#### Vigil Mechanism

The Company, as required under Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014: has established a Vigil Mechanism for their Directors, employees and other stakeholders to report their genuine concerns or grievances either in writing or by email to the Chairman of the Audit Committee.

The Audit Committee of the Company shall oversee the vigil mechanism, which provides for adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism.

All the employees and Directors of the Company are provided direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of the Audit Committee.

The said policy has been uploaded on the website of the Company.

#### Share Transfer System

The Company has appointed Link Intime India Private Limited as the Registrar and Share Transfer Agent. In compliance with Regulation 40(9) of the Listing Regulations, the Company obtains a certificate from a Practicing Company Secretary on a half-yearly basis certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies. A copy of the certificate, so received, is submitted to NSE and BSE stock exchanges. In compliance

with Regulation 40 of the Listing Regulations, the Company is not accepting any new request for effecting transfer of securities in physical mode except in the case of transmission or transposition of securities.

#### Monitoring Governance of Subsidiary Companies

Pursuant to Regulation 16(1)(c) of the Listing Regulations, the Company does not have any Material Subsidiaries as on March 31, 2023. The Company has one Wholly subsidiary i.e., Gland Pharma International Pte. Ltd, and one Wholly- owned step down subsidiary i.e., Gland Pharma USA Inc.

The minutes of the meetings of the subsidiaries together with a summary of key decisions taken at the Board of the subsidiary companies are placed before the Board of Directors of the Company. The management of the unlisted subsidiaries brings to the notice of the Board of Directors all the significant transactions or arrangement entered into by the unlisted subsidiaries of the Company on a quarterly basis.

#### Unclaimed dividend and transfer of dividend and shares to IEPF

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016; as amended, ('Rules'), the dividend which remains unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company and shares on which dividends are unclaimed or unpaid for a consecutive period of seven years or more are liable to be transferred to IEPF. The Company does not have any unclaimed dividends till date.

**Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity**

During the period under review, there were no outstanding global depository receipts or American depository receipts or warrants or any other convertible instruments and there was no impact on equity.

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year**

The Company has not obtained any credit ratings.

**Other Disclosures****Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

During FY 2022-23, there were no materially significant related party transactions ('RPTs') that may have potential conflict with the interests of the Company. All contracts, arrangements and transactions entered by the Company with related parties during FY 2022-23 were in the ordinary course of business and on an arm's length basis.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are repetitive in nature. All related party transactions are placed before the Audit Committee on a quarterly basis for its review and approval, as applicable. The Board of Directors has approved and adopted "Policy on Related party transactions" and the same is updated from time to time, basis the amendment in the regulatory provision.

**Details of non-compliance by the listed entity, penalties, strictures imposed on the Company by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets since listing of its shares in November, 2020 and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI or any other statutory authority during the FY 2022-23.

**Compliance with the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27; clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulation**

The Company is in compliance with the mandatory requirements of Corporate Governance as specified in

Regulations 17 to 27; clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of the Listing Regulations. The Company is in compliance with all the applicable provisions and requirement of Corporate Governance Report.

**Disclosure of commodity price risks and commodity hedging activities**

The cost of raw materials forms a large portion of the Company's operating expenses. The Company monitors the price of key commodities closely and formulates procurement strategies based on actual price movements and trends as well as external regulatory environment. The Company has adequate governance structure to align and review procurement strategies in line with external and internal dynamics. The Company has not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices. Accordingly, no disclosure is required pursuant to SEBI circular dated 15<sup>th</sup> November, 2018.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

During FY 2022-23, the Company has not raised funds through Initial Public Offer or any other private placement or preferential offer. However, the Company had allotted 398,100 fully paid-up equity shares of ₹1/- each to its employees under the Employee Stock Option Scheme, 2019.

**A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority**

A certificate from a Company Secretary in practice that none of the Directors is disqualified or debarred from being appointed or continuing as a director of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any other authority is provided in **Annexure D** which forms part of this report.

The securities of the Company were not suspended from trading at any time during the year.

The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31<sup>st</sup> March, 2023 are disclosed in Notes to the standalone financial statements.

**Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which Statutory Auditor is a part, are as follows:**

Type of service	Year Ended	
	2022-23	2021-22
Audit and related services	13.18	12.78
Other services	22.85	19.68
<b>Total</b>	<b>36.03</b>	<b>32.46</b>

During FY 2022-23, the Board of Directors has accepted all the recommendations of the Committees of the Board.

**Disclosures on complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during FY 2022-23**

Particulars	Number
Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending as on 31 <sup>st</sup> March, 2023	0

**Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

During the period under review, neither the Company nor any of its Subsidiaries has extended any Loans or advances in the nature of loan to any firms/ companies in which directors are interested.

**Disclosures with respect to demat suspense account/unclaimed suspense account**

The Company has not transferred any shares to demat suspense account/ unclaimed suspense account.

**Compliance Report on discretionary requirements under Regulation 27(1) of Listing Regulations read with Part E of Schedule II**

- Separate post of Chairman and Managing Director & CEO:** The Chairman of the Company, Mr. Yiu Kwan Stanley Lau, is an Independent Director and Mr. Srinivas Sadu is the Managing Director & CEO of the Company.
- The auditors' report on financial statements of the Company is unmodified.
- Reporting of Internal Auditor:** Internal auditor regularly updates the Audit Committee on internal audit findings.

**Shareholder Information and Communication****Financial Results**

During the year, financial results were published in the following newspapers: Economic Times (All Editions) (till

Q1 FY 2022-23), Financial Express (All Editions) (till Q1 FY 2022-23), Business Standard (All Editions) (from Q2 FY 2022-23) and in Andhra Prabha (Hyderabad edition). The annual / half yearly / quarterly results were disclosed to the stock exchanges and are also displayed on the Company's website – [www.glandpharma.com](http://www.glandpharma.com)

**News and Media Release**

The official news and media releases are disseminated to the stock exchanges and displayed on the Company's website.

**Earning calls and presentations to Institutional Investors / Analysts**

The Company organises an earnings call with analysts and investors after the announcement of financial results. The transcript and audio recording of the earnings call is also uploaded on the Company's website as well as filed with the stock exchanges where the securities of the Company are listed.

Presentations made to institutional investors and financial analysts on the financial results is filed with the stock exchanges and uploaded on the Company's website.

**Compliance reports, corporate announcements, material information and updates**

The Company disseminates the requisite corporate announcements including the Listing Regulation compliances through NSE Electronic Application Processing System (NEAPS) / NSE Digital Portal / BSE Corporate Compliance & Listing Centre. The NEAPS / NSE Digital Portal/ BSE's Listing Centre is a web-based application and periodical filings like shareholding pattern, corporate governance report, financial results, material / price sensitive information, etc. are filed electronically on such designated platforms.

**Annual Report**

The Annual Report for FY 2022-23 is uploaded on the Company's website and will be circulated to members and others entitled thereto in electronic mode. The Annual Report will also be submitted to the stock exchanges.

**Website**

The Company's website contains a separate section for investors. Information on various topics such as the Board of Directors, Committees of the Board, Policies, Annual Reports, Intimation to stock exchanges are available on the website of the Company.

**General Body Meetings**

Particulars of last three Annual General Meetings:

AGM	Year ended	Venue	Date	Time
44 <sup>th</sup>	31-03-2022	Through video conferencing (VC)/ other audio-visual means (OAVM).	30.08.2022	11.00 A.M
43 <sup>rd</sup>	31-03-2021	Through video conferencing (VC)/ other audio-visual means (OAVM).	26.08.2021	11.00 A.M
42 <sup>nd</sup>	31-03-2020	Sy. No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal-Gandimaisamma (M), Medchal-Malkajgiri Dist, Hyderabad – 500 043	21.09.2020	11.00 A.M

The Company did not pass any Special Resolutions in the last three AGMs.

#### Details of voting pattern on the resolutions passed through postal ballot

- Date of postal ballot notice: 3<sup>rd</sup> February, 2023
- Date of declaration of results: 08<sup>th</sup> April, 2023
- Voting period: 05<sup>th</sup> February, 2023 to 06<sup>th</sup> March, 2023

Details of the Resolution	Type of resolution	No of Votes Polled	Votes cast in favour		Votes cast against	
			No of votes in favour	% in favour	No of votes against	% in against
1. To approve commission on profit as remuneration to Mr. Yiu Kwan Stanley Lau ( Mr. 08455325), Independent Director.	Ordinary Resolution	135,553,064	135,532,451	99.98%	20,613	0.02%

- Mr. GVS Ravi Kumar, Practicing Company Secretary conducted the postal ballot exercise as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- There is no proposal to conduct postal ballot for any matter in the ensuing Annual General Meeting.
- The Company has not passed any special resolution through postal ballot and the resolution passed are ordinary resolutions.

#### Procedure for postal ballot

In compliance with the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 02/2021, 20/2021, 03/2022 and 11/2022 dated April 8, 2020; April 13, 2020; January 13, 2021; December 8, 2021; May 5, 2022 and December 28, 2022 respectively issued by the Ministry of Corporate Affairs, the Company has provided e-voting facility to all its shareholders, to enable them to cast their votes electronically. The Company engages the

services of Link intime for the purpose of providing such e-voting facility to all its shareholders.

The Company dispatches the postal ballot notices to its shareholders whose names appear on the register of members/list of beneficiaries as on the cut-off date. The postal ballot notice is sent to the shareholders in electronic form to the email IDs registered with the DPs/RTA.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the shareholders as on the cut-off date. Shareholders have to exercise their votes by electronic mode and are requested to vote before close of business hours on the last day of e-voting. The last date specified by the Company for e-voting is deemed to be the date of passing of the resolution.

The scrutinizer submits his / her report to the Chairman of the Board of Directors, or any person authorized by him, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced. The results are also displayed on the Company's website: [www.glandpharma.com](http://www.glandpharma.com) besides being communicated to the stock exchanges, depositories and RTA.

#### General Shareholder Information:

Date, Time and Venue of the AGM

Thursday, 31<sup>st</sup> August, 2023 at 11:00AM. The Company is conducting the Annual General Meeting through Video Conferencing / Other Audio-Visual means. For further details please refer to the Notice of AGM.

Financial Calendar

1<sup>st</sup> April to 31<sup>st</sup> March of the next calendar year

#### Tentative calendar for declaration of Financial Results in FY 2023-24 (Tentative Schedule, subject to change)

For the quarter ending 30<sup>th</sup> June, 2023

7<sup>th</sup> August, 2023

For the quarter and half year ending 30<sup>th</sup> September, 2023

6<sup>th</sup> November, 2023

For the quarter and nine months ending 31<sup>st</sup> December, 2023

14<sup>th</sup> February, 2024

For the fourth quarter and financial Year ending 31<sup>st</sup> March, 2024

22<sup>nd</sup> May, 2024

Trading window closure for financial results

From the 1<sup>st</sup> day from close of every quarter till the completion of 48 hours after the financial results/ UPSI becomes generally available

Date of Book Closure  
Dividend and Dividend Payment Date  
Listing on Stock Exchanges

Not applicable  
Not Applicable  
Equity Shares:  
1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001  
2. National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

The Company has paid the requisite annual listing fees to the National Stock Exchange of India Limited and BSE Limited for FY 2023-24.

Stock Code  
Symbol  
ISIN Number for NSDL & CDSL

543245 (BSE)  
GLAND (NSE)  
INE068V01023

#### Address for Correspondence:

##### For Individual Investors, Grievance and Secretarial matters

Sampath Kumar Pallerlamudi  
Company Secretary and Compliance Officer  
Tel: +91 8455699999 | Ext: 1194  
E-mail: [investors@glandpharma.com](mailto:investors@glandpharma.com)

##### For Institutional Investors & Financial Analysts

Sumanta Bajpayee  
Vice President – Investor Relations  
Tel: +91 8455699999 | Ext: 1413  
E-mail: [Sumanta.Bajpayee@glandpharma.com](mailto:Sumanta.Bajpayee@glandpharma.com)

##### Corporate Office:

Plot No. 11 & 84, TSIIIC, Phase – IV,  
Pashamylaram (V), Patancheru (M),  
Sangareddy District, Hyderabad- 502 307  
Phone: +91-8455-699999

##### Registered Office:

Sy. No. 143 - 148, 150 & 151,  
Near Gandimaisamma 'X' Roads,  
D.P. Pally, Dundigal,  
Dundigal- Gandimaisamma Mandal,  
Medchal-Malkajgiri District,  
Hyderabad, Telangana- 500 043  
Phone: 040- 30510999

##### Plant Locations:

##### Formulation Facilities

- Sy. No. 143-148, 150 & 151, D.P. Pally, Dundigal (Post), Hyderabad – 500 043, Telangana, India

- Unit-I, Plot No.54, 55 & 64 – 68, Phase – III, Industrial Park, Pashamylaram (V), Patancheru (M), Sangareddy District, Hyderabad – 502 307, Telangana, India
- Unit-II, Plot No.42-52, Phase – III, Industrial Park, Pashamylaram (V), Patancheru (M), Sangareddy District Hyderabad – 502 307, Telangana, India
- Unit II, Block C, Phase I, Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam - 530 046, Andhra Pradesh, India

##### API Facilities

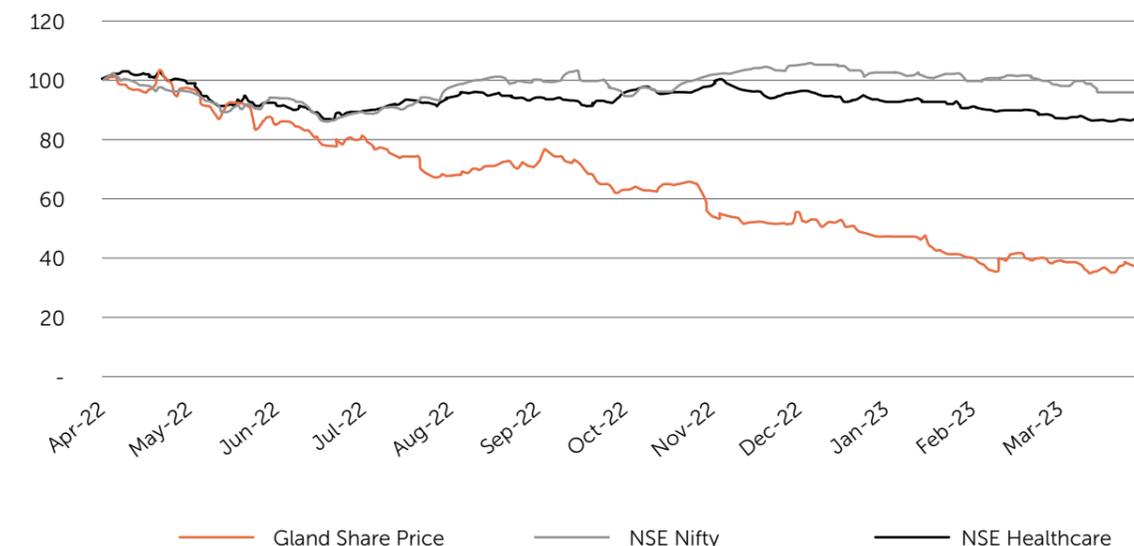
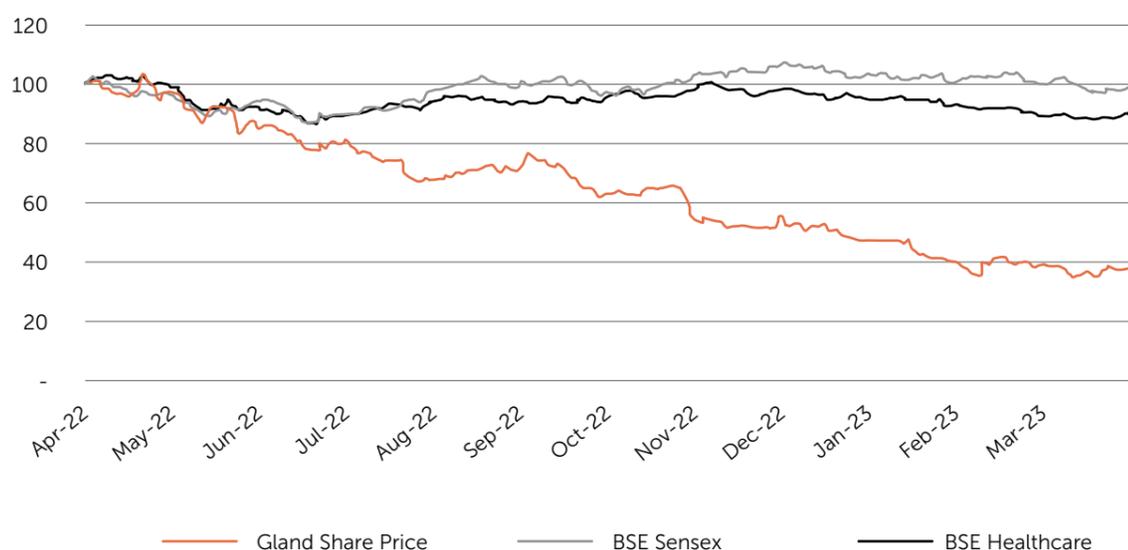
- Sy. No. 143-148, 150 & 151, D.P. Pally, Dundigal (Post), Hyderabad – 500 043 Telangana, India
- Plot No.9, Sy No.542(P), Genome Valley, Kolthur Village, Shamirpet Mandal, Medchal - Malkajgiri District, Hyderabad - 500 078 Telangana, India
- Unit I, Block C, Phase I, Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam - 530 046 Andhra Pradesh, India
- Plot No.49 & 50, Jawaharlal Nehru Pharmacy, Parawada (M), Visakhapatnam – 531 019, Andhra Pradesh, India

Persons holding 1% or more of the equity shares of the Company as on 31<sup>st</sup> March, 2023

Name	No. of shares	%
FOSUN PHARMA INDUSTRIAL PTE.LTD	95,293,934	57.86
ICICI PRUDENTIAL INDIA OPPORTUNITIES FUND	7,820,444	4.75
MIRAE ASSET EMERGING BLUECHIP FUND	7,523,199	4.57
NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA PHARMA FUND	5,728,486	3.48
RP ADVISORY SERVICES PRIVATE LIMITED (as trustee of the Empower Discretionary Trust)	4,291,986	2.61
UTI FLEXI CAP FUND	2,349,229	1.43
RP ADVISORY SERVICES PRIVATE LIMITED (as trustee of the Nilay Discretionary Trust)	1,874,500	1.14
KOTAK EMERGING EQUITY SCHEME	1,733,540	1.05

Market Price Data for the period from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

Month of FY 2022-23	BSE Limited			National Stock Exchange of India Limited		
	High	Low	Shares traded	High	Low	Shares traded
Apr- 2022	3,556.10	3,040.00	57,34,808	3559.40	3039.00	5,627,963
May- 2022	3,250.00	2,679.00	1,41,350	3,239.95	2,675.90	3,641,802
Jun- 2022	2,891.65	2,498.00	11,14,762	2,892.85	2,495.15	4,753,977
Jul- 2022	2,698.90	2,180.10	7,87,595	2,710.00	2,180.00	13,057,531
Aug- 2022	2,460.95	2,225.20	3,39,107	2,458.00	2,233.10	5,737,879
Sep- 2022	2,606.00	2,040.70	2,27,067	2,607.00	2,042.85	7,283,191
Oct- 2022	2,235.25	1,681.00	4,32,602	2,238.00	1,680.00	12,168,799
Nov- 2022	1,914.00	1,660.00	6,00,443	1,908.80	1,660.00	12,268,936
Dec- 2022	1,801.40	1,553.80	4,18,336	1,805.00	1,553.45	7,794,213
Jan- 2023	1,605.80	1,299.20	6,23,307	1,606.00	1,300.00	13,954,705
Feb- 2023	1,404.55	1,169.75	6,30,442	1,404.60	1,167.00	15,192,541
Mar- 2023	1,330.00	1,130.40	8,76,982	1,329.80	1,130.00	12,117,728

Distribution of shareholding as on 31<sup>st</sup> March, 2023 (Class-wise distribution of equity shares)

Category	No. of Folios	% of Total	No. of shares	% of Total
1-5000	152,406	98.94	4,696,153	2.85
5001-10000	784	0.51	566,924	0.34
10001-20000	344	0.22	481,779	0.29
20001-30000	115	0.07	285,217	0.17
30001-40000	45	0.03	154,889	0.09
40001-50000	42	0.03	191,869	0.12
50000-100000	76	0.05	531,741	0.33
100001 & above	233	0.15	157,792,251	95.81
<b>Total</b>	<b>154,045</b>	<b>100</b>	<b>164,700,823</b>	<b>100</b>

## Dematerialisation of Shares and Liquidity

As on 31<sup>st</sup> March, 2023; 158,690,223 shares of the share capital was held in dematerialised form.

Break-up of shares held in physical and dematerialised form as on 31<sup>st</sup> March, 2023:

Category	No. of Folios	% of Total	No. of shares	% of Total
Physical Mode	14	0.01	6,010,600	3.65
Dematerialised Mode	154031	99.99	158,690,223	96.35

## Declaration of Compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct laid down by the Company for the financial year ended 31<sup>st</sup> March, 2023.

For **Gland Pharma Limited**

Date: May 18, 2023  
Place : Hyderabad

**Srinivas Sadu**  
MD & CEO

## Annexure A – Statutory details of Board of Directors

The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting (“AGM”), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name	Category	No. of Board meeting attended (total held in the FY 2022-23 during tenure)	Attendance at last AGM held on 30 <sup>th</sup> August 2022	No. of Directorships held in other Indian Listed companies as on 31 <sup>st</sup> March, 2023	Name of other listed companies where he/she is a Director (category of Directorship) as on 31 <sup>st</sup> March, 2023	No. of Committee memberships/Chairpersonships held in other Indian public companies as on 31 <sup>st</sup> March, 2023	
						Memberships	Chairpersonships
Mr. Yiu Kwan Stanley Lau	Independent Director	8	Yes	NIL	NIL	NIL	NIL
Mr. Srinivas Sadu	MD & CEO	8	Yes	NIL	NIL	NIL	NIL
Mr. Qiyu Chen	Non-Executive Non-Independent Director	4	No	NIL	NIL	NIL	NIL
Mr. Yifang Wu*	Non-Executive Non-Independent Director	3	No	NIL	NIL	NIL	NIL
Ms. Xiaohui Guan*	Non-Executive Non-Independent Director	3	No	NIL	NIL	NIL	NIL
Mr. Udo Johannes Vetter	Independent Director	8	No	NIL	NIL	NIL	NIL
Mr. Satyanarayana Murthy Chavali	Independent Director	8	Yes	2	1. Balaji Amines Limited - Independent Director 2. Vijaya Diagnostic Centre Limited - Independent Director	3	1
Mr. Essaji Goolam Vahanvati	Independent Director	6	No	2	1. Centrum Capital Limited 2. Elcid Investments LIMITED	NIL	NIL
Dr. Jia Ai (Allen) Zhang	Non-Executive Non-Independent Director	8	Yes	NIL	NIL	NIL	NIL
Ms. Naina Lal Kidwai	Independent Director	8	Yes	3	1. UPL Limited – Independent Director 2. Max Financial Services Limited - Independent Director	2	1
Mr. Yao Fang	Non-Executive Non-Independent Director	8	NA	NIL	3. Biocon Limited - Independent Director	NIL	NIL

\* Mr. Yifang Wu and Ms. Xiaohui Guan were retired on 30.08.2022.

## Annexure- B

To,  
The Board of Directors  
**Gland Pharma Limited**

Subject: Compliance Certificate on the financial statements/results (Standalone and Consolidated) for the quarter and year ended March 31, 2023, pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended (the “Listing Regulations”)

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions were entered into by the Company during the year are fraudulent, illegal or violating the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We are not aware of any deficiencies in the design or operation of such internal controls to be disclosed to the auditors and audit committee.
- D. We have indicated to the auditors and the Audit committee:
- there are no significant changes in internal controls over financial reporting during the year;
  - there are no significant changes in accounting policies during the year; and
  - there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Yours truly,

**Srinivas Sadu,**  
Managing Director & CEO

**Ravi Shekhar Mitra**  
Chief Financial Officer  
Date: 18.05.2023

## Annexure- C

### CERTIFICATE OF CORPORATE GOVERNANCE

Under Regulation 34(3) read with Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To,  
The Members of  
**Gland Pharma Ltd.**  
Sy.No.143-148,150 &151, Near Gandimaisamma 'X' Roads, D.P.pally,  
Dundigal, Dundigal - Gandimaisamma(M),  
Medchal-Malkajgiri District, Telangana - 500 043.

We have examined all the relevant records of **Gland Pharma Ltd** (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') for the period commencing from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the Financial Year ended on 31<sup>st</sup> March, 2023.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **RVR & Associates**  
Company Secretaries  
PR No. P2015TL082000

**D Soumya**  
Associate Partner  
FCS. No: 11754 CP. No. 13199  
UDIN: F011754E000333781  
Peer Review Cert. No.: 3175/2023

Date: May 18, 2023  
Place: Hyderabad

## Annexure- D

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Gland Pharma Limited**  
Sy.No.143-148,150 &151, Near Gandimaisamma 'X' Roads, D.P.Pally,  
Dundigal, Dundigal - Gandimaisamma(M),  
Medchal-Malkajgiri District, Telangana - 500043

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gland Pharma Limited having CIN: L24239TG1978PLC002276 and having registered office at Sy.No.143-148,150 &151, Near Gandimaisamma X Roads, D.P.Pally, Dundigal, Dundigal - Gandimaisamma(M), Medchal Malkajgiri District, Telangana - 500043 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of Appointment in the Company
1.	NAINA LAL KIDWAI	00017806	17/05/2021
2.	SATYANARAYANA MURTHY CHAVALI	00142138	20/11/2018
3.	ESSAJI GOOLAM VAHANVATI	00157299	30/09/2020
4.	UDO JAHANNES VETTER	00707474	07/02/2018
5.	SRINIVAS SADU	06900659	25/04/2019
6.	QIYU CHEN	07675421	03/10/2017
7.	YIU KWAN STANLEY LAU	08455325	10/06/2019
8.	JIA AI ZHANG	09170927	17/05/2021
9.	YAO FANG	09524705	10/03/2022

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

For **RVR & Associates**  
Company Secretaries  
PR No. P2015TL082000

**D Soumya**  
Associate Partner  
M No: F11754 CP. No. 13199  
UDIN: F011754E000322790  
Peer Review Cert. No.: 3175/2023

Date: May 17, 2023  
Place: Hyderabad

# Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 45<sup>th</sup> Annual Report on the performance of the Company, along with the audited Standalone and Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2023.

## CORPORATE AFFAIRS & FINANCIAL HIGHLIGHTS

### Financial Highlights

Particulars	(₹ in Mn)			
	Standalone Year Ended 2022-23	Consolidated Year Ended 2022-23	Standalone Year Ended 2021-22	Consolidated Year Ended 2021-22
Income	38,569.92	38,650.64	46,246.48	46,246.46
Profit Before Interest, Depreciation and Tax	12,590.13	12,652.26	17,345.79	17,340.90
Finance cost	(74.14)	(74.47)	(52.40)	(52.42)
<b>Profit Before Depreciation and Tax</b>	<b>12,515.99</b>	<b>12,577.79</b>	<b>17,293.39</b>	<b>17,288.48</b>
Depreciation	(1,467.36)	(1,467.36)	(1,102.96)	(1,102.96)
<b>Profit Before Exceptional Items and Tax</b>	<b>11,048.63</b>	<b>11,110.43</b>	<b>16,190.43</b>	<b>16,185.52</b>
Exceptional Items	(564.61)	(564.61)	-	-
<b>Profit Before Tax</b>	<b>10,484.02</b>	<b>10,545.82</b>	<b>16,190.43</b>	<b>16,185.52</b>
<b>Provision for Taxation</b>				
Current tax	(2,761.94)	(2,771.57)	(3,958.83)	(3,958.83)
Deferred tax	27.99	27.99	(140.08)	(140.08)
Taxes for earlier years	8.19	8.19	30.03	30.03
<b>Profit After Tax</b>	<b>7,758.26</b>	<b>7,810.43</b>	<b>12,121.55</b>	<b>12,116.64</b>
Less : Total other Comprehensive Income / (Loss) for the year, net of tax	22.52	14.38	(3.85)	(4.58)
<b>Total Comprehensive Income for the year, net of tax</b>	<b>7,735.74</b>	<b>7,796.05</b>	<b>12,117.70</b>	<b>12,112.06</b>
Earnings Per Share (₹)				
(for Equity share of ₹1/- each)				
Basic	47.12	47.44	73.84	73.81
Diluted	47.11	47.43	73.67	73.64

### Annual Return [Section 134(3)(a)]

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at <https://glandpharma.com/images/Gland-Pharma-MGT-7-2022-23.pdf>

### Meetings of the Board of Directors [Section 134(3)(b)]

During the year under review, the Board of Directors met 8 times on 29<sup>th</sup> April, 2022; 19<sup>th</sup> May, 2022; 20<sup>th</sup> July, 2022; 17<sup>th</sup> October, 2022; 26<sup>th</sup> October, 2022; 25<sup>th</sup> November, 2022; 23<sup>rd</sup> January, 2023 and 29<sup>th</sup> March, 2023.

### Directors' Responsibility Statement [Section 134(3)(c) and 134(5)]

In terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013 your directors state that:

a) in preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023; the applicable accounting standards

have been followed along with proper explanations relating to material departures, if any;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down proper internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### Declaration by Independent Directors [Section 134(3)(d)]

All the Independent Directors of the Company have given declarations confirming that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and are in compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, they have affirmed compliance with the Code of conduct laid down under Schedule IV of the Companies Act, 2013.

### Opinion of the Board [Rule 8(5)(iii) of Companies (Accounts) Rules, 2014]

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possess the requisite expertise, experience and qualifications to discharge the responsibilities as an Independent Director as mandated by the Companies Act, 2013 and the Rules made thereunder and by the SEBI Regulations.

All the independent Directors of your Company have been registered and are members of the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA). Four Independent Directors were already granted exemption from appearing for the Online Proficiency Self-Assessment test conducted by IICA. One Independent Director will appear for the online Proficiency Self-Assessment test before the due date.

### Company's policy on Directors' appointment and remuneration and Criteria for determining qualifications, Positive Attributes and Independence of a Director [Section 134(3)(e)]

The Company has constituted a Nomination and Remuneration Committee which has been entrusted the responsibility of selecting and recommending the appointment and remuneration of Directors. The Committee while making appointments and fixing the remuneration of Directors will take into consideration the following:

- their qualification
- past record, especially their credentials and achievements, experience, past remuneration
- job profile and suitability
- comparative remuneration with the industry in line with the size and profits of the Company
- their pecuniary relationship with the promoters.

Further, the Nomination and Remuneration Committee also, while recommending and appointing independent Directors will evaluate the following:

- their qualification
- credentials, past experience in the fields of finance, management, technology, taxation and other related fields
- expertise in similar industry
- confirmation from the Internal Auditors that there is no pecuniary relationship with the Company or other parties in terms of Section 149(6) of the Companies Act, 2013.

The terms and conditions for appointment of Independent Directors and the Code of Conduct of the Board of Directors and Senior Management Personnel are available on the Company's website and can be accessed at [https://glandpharma.com/images/Terms\\_conditions\\_appointment\\_directors.pdf](https://glandpharma.com/images/Terms_conditions_appointment_directors.pdf)

### Audit Reports [Section 134(3)(f)]

The Independent Auditor's Report on Standalone Financial Statements and Consolidated Financial Statements given by M/s. S.R. Batliboi & Associates, LLP, Statutory Auditors of the Company does not contain any qualifications, reservations or adverse remarks.

The Secretarial Audit Report issued by M/s. RVR & Associates, Company Secretaries does not contain any qualifications, reservations or adverse remarks.

The Company has undertaken an audit for the Financial Year ended March 31, 2023 for all applicable compliance as per the Securities and Exchange Board of India Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s. RVR & Associates, Company Secretaries was submitted to the Stock Exchanges within 60 days of the end of the Financial Year and the same is available on the websites of the Stock Exchanges and the Company and can be accessed at <https://glandpharma.com/images/CerReg24A.pdf>

### Frauds reported by Auditors [Section 134(3)(ca)]

The Statutory Auditors did not report any frauds during the financial year under review under Section 143(12).

### Particulars of Loans, Guarantees and Investments [Section 134(3)(g)]

During the year under review, the Company did not extend any Loans or Guarantees as covered under the provisions of Section 186 of the Companies Act, 2013. The Company did not make any further investment in its Wholly owned subsidiary during the year under review.

**Particulars of contracts with Related Parties [Section 134(3)(h)]**

The Company's transactions with Related Parties are at arm's length and were in the ordinary course of business only. The Company does not have any related party transactions, which may have potential conflict with the interests of the Company. All Related Party transactions have been reported in Notes to Accounts and do not cover under the provisions of Section 188(1) of the Companies Act, 2013 read with Rules made thereunder.

The details of the Related Party transactions were provided in **Annexure D** to this Report. The policy on materiality of Related Party transactions and on dealing with Related Party transactions as approved by the Board of Directors is available on the Company's website and can be accessed at [https://glandpharma.com/images/Policy\\_of\\_Related\\_Party\\_Transactions.pdf](https://glandpharma.com/images/Policy_of_Related_Party_Transactions.pdf).

Members may refer to Note 40 to the Standalone Financial Statements which sets out related party disclosures pursuant to Ind AS.

**Company Affairs [Section 134(3)(i)]****Research and Development**

R&D is another focus area for Gland. Led by Dr. C.S. Venkatesan and Dr. S. Sridevi, each with over 2 decades of experience, Gland has a team of close to 300 scientists working in the areas of:

- Formulation Development
- Analytical Method Development
- API Process Development
- Stability Studies, etc.

**Financial Highlights [Rule 8(5)(i) of Companies (Accounts) Rules, 2014]****Performance and Operations Review**

During the year under review, the total income of the Company was ₹ 38,569.92 Mn as against ₹ 46,246.48 Mn during the previous year.

**Exports**

Exports contribution to the revenue of the Company is approximately 84.97%. Your Company exports to almost 60 countries across 6 continents. During the year, the Company has achieved an export turnover of ₹30,451.65 Mn.

**Domestic Operations**

The Domestic sales during the year 2022-23 amounts to ₹5,386.21 Mn. Domestic sales include Co-Marketing, a major revenue source for your Company in the Domestic segment.

**Taxation**

The Company has made an Income Tax provision of ₹ 2,761.94 Mn for the period under review as against ₹ 3,958.83 Mn for the previous year.

**Borrowings**

The Company has no outstanding borrowings as on date of this Report. However, outstanding amount of Deferred Sales tax amounting to ₹ 38.21 Mn was classified as borrowings as per Indian Accounting Standards.

**Capital Expenditure**

During the year under review, the Company has incurred capital expenditure of ₹ 2,209.28 Mn at its manufacturing facilities at Dundigal, Pashamylaram, Shamirpet, VSEZ and Pharmacy and an amount of ₹ 21.90 Mn for purchase of other intangibles.

**Share Capital**

During the year under review, the Company has issued and allotted 398,100 fully paid-up equity shares to its employees under the Employee Stock Option Scheme, 2019. Consequently, the issued, subscribed and paid-up share capital of the Company was increased from ₹ 164,302,723/- (divided into 164,302,723 equity shares of ₹ 1/- each) to ₹ 164,700,823/- (divided into 164,700,823 equity shares of ₹ 1/- each). The equity shares issued under the Employee Stock Option Scheme, 2019 rank pari-passu with the existing equity shares of the Company.

**General Reserve [Section 134(3)(j)]:**

During the financial year under review, no amount was transferred to General Reserve.

**Dividends [Section 134(3)(k)]**

The Board of Directors does not recommend dividend for this year. The Company is in compliance with its Dividend Distribution policy as approved by the Board. In compliance with the requirements under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; the policy is annexed as **Annexure A** to this Report.

**Material Changes and commitments [Section 134(3)(l)]**

Gland Pharma International Pte. Ltd ("Gland Singapore"), a Wholly Owned Subsidiary of the Company has acquired Phixen SAS (doing business as 'Cenexi' and hereinafter referred as "Cenexi") and 3 (three) holding companies (holding approximately 6.28% shareholding in Cenexi, hereinafter referred to as "Cenexi Holding Entities") on 27<sup>th</sup> April, 2023 for a purchase Consideration of Euro 114,259,004.44 and repaid a loan of Euro 79,457,194.11 on behalf of the Sellers in

accordance with the terms of the Share Purchase Agreement dated 6<sup>th</sup> January, 2023 between Gland Singapore and FPCI Sino French Midcap Fund as the controlling seller (investment fund managed by Cathay Capital), and other sellers. The Enterprise Value of Phixen SAS was Euro 210 Mn.

Phixen SAS and the Cenexi Holding Entities have become the wholly owned step-down subsidiaries of the Company. The aforementioned acquisition has also resulted in indirect acquisition of seven (7) subsidiaries of Cenexi, namely:- (a) Cenexi SAS, (b) Cenexi Services SAS, (c) Cenexi HSC SAS, (d) Cenexi 2 SASU, (e) Cenexi 3 SASU, (f) Cenexi Laboratories Thissen SA and (g) Phineximmo SA.

Cenexi is in the business of Contract Development and Manufacturing Organization ('CDMO') with sterile expertise and a track-record in ampoules, PFS and vials; complex or niche formulations and / or dosage forms with a focus on high potent steriles and solids.

Other than the above, there were no material changes occurred or commitments made by the management from the end of the financial year till the date of this report, which may affect the financial position of the Company.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Out go [Section 134(3)(m)]**

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided as **Annexure G** to this Report.

**Employee Stock Option Scheme**

The Company has an Employee Stock Option Scheme, namely 'Gland Pharma Employee Stock Option Scheme, 2019' (ESOP Scheme, 2019) that helps the Company to retain and attract the right talent. The ESOP Compensation Committee administers the ESOP Scheme. There was no change in the ESOP Scheme during the year under review. The ESOP Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). Details of the Employee Stock Option Scheme-2019 have also been provided in Note No. 38 of the standalone financial statement. During FY 2022-23, no employee was issued options equal to or exceeding 1% of the issued share capital of the Company at the time of grant.

In compliance with the requirements of the SBEB Regulations, a certificate from Secretarial auditor confirming implementation of ESOP Scheme in accordance with the said regulations and shareholder's resolution will be available electronically for inspection by the members during the annual general meeting of the Company and the same is available at [https://glandpharma.com/images/Compliance-Certificate-ESOPS-2023\\_31.07.2023.pdf](https://glandpharma.com/images/Compliance-Certificate-ESOPS-2023_31.07.2023.pdf). The details of stock options are as mentioned in **Annexure H** and forms part of this Report.

Further, the details of this stock options stated in the notes to accounts of the financial statements also forms part of this annual report.

**Risk Management [Section 134(3)(n)]**

The Board of Directors of the Company has constituted a Risk Management Committee, which oversees the Enterprise Risk Management process. The Committee shall meet as and when required and atleast twice in a year. The Audit Committee has additional oversight in the area of financial risks and controls.

The Company has formulated a Risk Management policy. Risks are classified in different categories such as Financial, Operational, Legal and Strategic risks. These risks are reviewed from time to time and controls are put in place with the specific responsibility of the concerned Officer of the Company. However, the Board could not identify any major risks, which may threaten the immediate existence of the Company.

**Corporate Social Responsibility [Section 134(3)(o)]**

The Company had constituted a 'Corporate Social Responsibility Committee' to decide upon and implement the Corporate Social Responsibility Policy (CSR policy) of the Company.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure E** to this Report in the format prescribed in the Companies (CSR policy) Rules, 2014.

The Corporate Social Responsibility policy of the Company can be accessed at [https://glandpharma.com/images/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://glandpharma.com/images/Corporate_Social_Responsibility_Policy.pdf)

**Board Evaluation [Section 134(3)(p)]**

The evaluation of all the Directors including the Chairman, the MD & CEO and the Board as a whole, was carried out based on the criteria and framework approved by the Nomination and Remuneration Committee. A detailed disclosure on the parameters and the process of Board evaluation as well as the outcome has been provided in the Report on Corporate Governance.

The policy on evaluation of Independent Directors and Directors of the Company can be accessed at [https://glandpharma.com/images/Policy\\_on\\_evaluation.pdf](https://glandpharma.com/images/Policy_on_evaluation.pdf)

**Nature of business [Rule 8(5)(ii) of Companies (Accounts) Rules, 2014]**

Gland Pharma is engaged in the development, manufacture, sale and distribution of Pharmaceuticals. There was no change in the nature of the business of the Company during the financial year under review.

### Change in the Directors or Key Managerial Personnel [Rule 8(5)(iii) of Companies (Accounts) Rules, 2014]

#### Directors

During the year under review, Mr. Yifang Wu and Ms. Xiaohui Guan were retired by rotation as Directors in the last Annual General Meeting of the Company held on 30<sup>th</sup> August, 2022. They did not offer themselves for re-appointment due to non-receipt of security clearance from Ministry of Home Affairs, Government of India. The Company did not appoint any other Directors in the vacancy caused due to the retirement of the said Directors.

As per the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company; Mr. Srinivas Sadu, Managing Director & CEO and Dr. Jia Ai Zhang, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the reappointment of Mr. Srinivas Sadu and Dr. Jia Ai Zhang (Dr. Allen Zhang) as Directors, liable to retire by rotation, for approval of the Members at the ensuing Annual General Meeting.

Brief profile, expertise in specific functional areas, names of the listed companies in which the above-named directors hold directorships, committee memberships/chairmanships, disclosure of relationship between the directors inter-se, shareholding in the Company, etc., are furnished in the Annexure to the Notice of the ensuing Annual General Meeting.

#### Key Managerial Personnel

There was no change in the Key Managerial Personnel during the year under review.

### Subsidiaries and Associates [Rule 8(5)(iv) of Companies (Accounts) Rules, 2014]

As on 31<sup>st</sup> March, 2023; the Company has following Subsidiaries:

1. Gland Pharma International Pte. Ltd., a Wholly-owned Subsidiary incorporated in Singapore
2. Gland Pharma USA Inc., a Wholly -owned Step Down Subsidiary (Wholly-owned Subsidiary of Gland Pharma International Pte. Ltd.), incorporated in USA

Gland Pharma Limited is a subsidiary of Fosun Pharma Industrial Pte. Ltd., a Singapore Company, which holds approximately 58.00% of the shareholding in Gland Pharma Limited.

Details of the subsidiaries are set out as **Annexure B** to this Report. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014; a statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is provided as **Annexure C** to the Directors' Report. The consolidated financial statements presented in this annual report include financial results of the subsidiaries.

Copies of the financial statements of the subsidiaries are accessible at <https://glandpharma.com/investors/subsidiary-financials>

### Deposits [Rule 8(5)(v) of Companies (Accounts) Rules, 2014]

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid or unclaimed deposits as the Company had never accepted deposits within the meaning of the Act and the rules made thereunder.

### Significant and Material Orders [Rule 8(5)(vii) of Companies (Accounts) Rules, 2014]

No significant or material orders were passed by the regulators or courts or tribunals which could impact the 'going concern' status and the future operations of the Company.

### Internal Financial controls [Rule 8(5)(viii) of Companies (Accounts) Rules, 2014]

The Company has appointed M/s. Y. Raghuram & Co., Chartered Accountants as Internal Auditors of the Company. The Company has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The current system of internal financial controls is aligned with the statutory requirements. Effectiveness of internal financial controls is ensured through management reviews, controlled self- assessment and independent testing by the Internal Audit team.

### Maintenance of Cost records [Rule 8(5)(ix) of Companies (Accounts) Rules, 2014]

The Company has been maintaining Cost records as required under the provisions of the Companies Act, 2013.

### Disclosure under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [Rule 8(5)(x) of Companies (Accounts) Rules, 2014]

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC,

whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy.

The Company has received One complaint during the year and appropriate action was taken against the accused. There are no pending complaints as at the end of the financial year.

### Proceedings pending under the Insolvency and Bankruptcy Code, 2016 [Rule 8(5)(xi) of Companies (Accounts) Rules, 2014]

No application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

### Difference in Valuation [Rule 8(5)(xii) of Companies (Accounts) Rules, 2014]

The Company has never made any One Time Settlement against the Loans obtained from Banks and Financial institutions and hence this clause is not applicable.

### Statement of deviations or variations [Regulation 32(4) of SEBI LODR]

The proceeds from the Initial Public Offer of the Company have been completely utilized for the purposes for which the proceeds were raised and there were no deviations or variations thereunder. The Company has filed the Monitoring Agency Reports issued by Axis Bank Limited, on a quarterly basis till 30<sup>th</sup> September, 2022 (till the entire proceeds of IPO were utilized) with the Stock Exchanges on which the Company's shares are listed.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section in this Report.

### Business Responsibility and Sustainability Report

Pursuant to Regulation 34 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Business Responsibility and Sustainability Report (BRSR) is presented in a separate section in this Report.

### Vigil Mechanism [Section 177(9) and 177(10)]

The Company, as required under Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, has established a Vigil Mechanism for its Directors, employees and other stakeholders to report their genuine concerns or grievances either in writing or by email to the Chairman of the Audit Committee.

The Audit Committee of the Company shall oversee the vigil mechanism, which provides for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism.

All the employees and Directors of the Company are provided direct access to the Chairman of the Audit Committee.

### Secretarial Standards

The Company has complied with the applicable Secretarial Standards i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

### Auditors

#### Statutory Auditors

Pursuant to Section 139 (2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014; the Company at its 40<sup>th</sup> Annual General Meeting (AGM) held on September 17, 2018 had appointed M/s. S.R. Batliboi & Associates, LLP, Chartered Accountants as Statutory Auditors for a period of 5 years i.e. up to the conclusion of the 45<sup>th</sup> AGM. The Board of Directors of the Company has proposed the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S) as the Statutory Auditors of the Company to hold office from the conclusion of 45<sup>th</sup> AGM until the conclusion of the 50<sup>th</sup> AGM in place of retiring auditors, M/s. S.R. Batliboi & Associates, LLP, Chartered Accountants on completion of their term. The Company has received a letter from Deloitte Haskins & Sells, Chartered Accountants confirming that they are eligible for appointment as Statutory Auditors of the Company under Section 139 of Companies Act, 2013 and meet the criteria for appointment as specified in Section 141 of the Companies Act, 2013

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed RVR & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure-F** to this Report.

### Committees of the Board of Directors

#### a) Audit Committee [Section 177]

The primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Audit Committee will review periodically the internal control systems, scope of audit including the observations of auditors, if any and review the Quarterly financial statements before submission to the Board and also ensures compliance with internal control system.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committees under Section 177 of the Companies Act, 2013.

During the year under review, the Audit Committee met six times on 19<sup>th</sup> May, 2022; 20<sup>th</sup> July, 2022; 26<sup>th</sup> October, 2022; 09<sup>th</sup> December, 2022; 23<sup>rd</sup> January, 2023 and 29<sup>th</sup> March, 2023.

Composition and attendance of Audit Committee			
Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	6
Mr. Essaji Goolam Vahanvati	Member	Independent Director	4
Ms. Xiaohui Guan (till 30.08.2022)	Member	Non-Executive Director	2
Mr. Udo Johannes Vetter (Appointed w.e.f. 20.07.2022)	Member	Independent Director	4

Mr. Srinivas Sadu, Managing Director & CEO, Mr. Ravi Shekhar Mitra, CFO and Mr. Wu Rong, Financial Controller of the Company are the Special invitees to every Audit Committee Meeting.

#### b) Nomination and Remuneration Committee [Section 178]

The purpose of the Remuneration Committee of the Company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors and the Key Managerial Personnel. The Committee has overall responsibility for formulating the criteria for determining qualifications and independence of a Director and recommends to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

During the year under review, the Nomination and Remuneration Committee met three times on 19<sup>th</sup> May, 2022; 23<sup>rd</sup> January, 2023 and 29<sup>th</sup> March, 2023.

Composition and attendance of Nomination and Remuneration Committee			
Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	3
Mr. Essaji Goolam Vahanvati	Member	Independent Director	1
Mr. Udo Johannes Vetter	Member	Independent Director	3
Mr. Wu Yifang (till 30.08.2022)	Member	Non-Executive Director	0

#### c) Corporate Social Responsibility (CSR) Committee [Section 135]

The Company has constituted the 'Corporate Social Responsibility Committee' for formulating and recommending to the Board of Directors a Corporate Social Responsibility Policy for the Company, which shall indicate the activities to be undertaken by the Company as specified in the Companies Act, 2013 and the rules made thereunder.

The Corporate Social Responsibility Committee recommends the amount of expenditure to be incurred by the Company on CSR activities and monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year under review, the Corporate Social Responsibility Committee met two times on 18<sup>th</sup> May, 2022 and 20<sup>th</sup> January, 2023.

Composition and attendance of Corporate Social Responsibility Committee			
Name of the Director	Position	Category	No. of Meetings attended
Mr. Srinivas Sadu	Chairman	Managing Director & CEO	2
Mr. Essaji Goolam Vahanvati	Member	Independent Director	2
Ms. Xiaohui Guan (till 30.08.2022)	Member	Non-Executive Director	1
Dr. Jia Ai (Allen) Zhang (Appointed w.e.f. 20.07.2022)	Member	Non-Executive Director	1

#### d) Stakeholders' Relationship and Share Transfer Committee

The Company has constituted the 'Stakeholders' Relationship and Share Transfer Committee' for resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, notice for general meetings, etc. and for review of measures taken for effective exercise of voting rights by shareholders.

During the year under review, the Stakeholders' Relationship and Share Transfer Committee met four times on 19<sup>th</sup> May, 2022; 20<sup>th</sup> July, 2022; 26<sup>th</sup> October, 2022 and 23<sup>rd</sup> January, 2023.

Composition and attendance of Stakeholders' Relationship and Share Transfer Committee			
Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	4
Mr. Srinivas Sadu	Member	Managing Director & CEO	4
Mr. Yao Fang	Member	Non-Executive Director	4

#### e) Risk Management Committee

The Company has constituted the 'Risk Management Committee' for fulfilling the Board of Directors' corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Committee shall undertake an overall responsibility for monitoring and approving the enterprise risk management framework and associated practices of the Company.

During the year under review, the Risk Management Committee met two times on 29<sup>th</sup> August, 2022 and 24<sup>th</sup> February, 2023.

Composition and attendance of Risk Management Committee			
Name of the Director/Officer	Position	Category	No. of Meetings attended
Ms. Naina Lal Kidwai	Chairman (w.e.f. 10.03.2022)	Independent Director	2
	Member (w.e.f. 17.05.2021)		
Mr. Srinivas Sadu	Member	CEO & Managing Director	
Mr. Yao Fang	Member (w.e.f. 10.03.2022)	Non-Executive Director	2
Mr. Ravi Shekhar Mitra	Member	CFO	2

#### Details of remuneration to Executive Directors and KMPs

Name of the Director	Salary	Commission	PF	Perquisites	Others	Total
						(₹ in million)
Mr. Srinivas Sadu	67.70	-	2.97	-	-	70.67
Mr. Ravi Shekhar Mitra	18.64*	-	0.83	-	-	19.47
Mr. P. Sampath Kumar	4.86	-	0.22	-	-	5.08

\*An amount of ₹ 0.74 Mn was paid as remuneration for the services performed as a Director in Gland Pharma International Pte. Ltd, the wholly-owned subsidiary of the Company.

#### Non-Executive Directors

The Company does not pay any remuneration to Non-Executive Directors.

## Independent Directors

The Independent Directors of the Company would be paid Commission on the profits of the Company, apart from Sitting fee for attending the Board Meetings. The details of the remuneration paid to the Independent Directors are as follows:

Name of the Director	(₹ in million)		
	Commission	Sitting Fees	Total
Mr. Yiu Kwan Stanley Lau	4.94	0.80	5.74
Mr. Satyanarayana Murthy Chavali	2.50	0.80	3.30
Mr. Essaji Goolam Vahanvati	2.50	0.60	3.10
Ms. Naina Lal Kidwai	10.00	0.80	10.80
Mr. Udo J Vetter	2.50	0.80	3.30

## Corporate Governance

In compliance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; a separate report on Corporate Governance for the year under review is included as a separate section of this Report.

A certificate from M/s. RVR & Associates, practicing Company Secretaries confirming compliance with the conditions of corporate governance, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

## Human Resources

The Company continues to have cordial and harmonious relationship with its employees. Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure.I.1** to this report.

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies

For and on behalf of the Board

### Srinivas Sadu

Managing Director & CEO  
DIN: 06900659

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023

(Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided in **Annexure I.2** to this report. In terms of the provisions of Section 136 of the Act, the Annual Report is being sent to members excluding the aforementioned information. The information will be available on the website of the Company at <https://glandpharma.com/images/AnnexureI.2-details-of-remuneration-of-top-ten-employees.pdf>

## Acknowledgements

Your Directors gratefully acknowledge the continued support, co-operation and wise counsel extended by the Government Authorities, Banks and Financial Institutions.

Your Directors place on record their sincere appreciation for the significant contribution made by the employees through their dedication, hard work and commitment.

Your Directors sincerely acknowledge the confidence and faith reposed in the Company by the Shareholders, Medical Profession & trade and other stake holders.

### Satyanarayana Murthy Chavali

Independent Director  
DIN: 00142138

## ANNEXURE - A

(TO THE DIRECTORS' REPORT)

## DIVIDEND DISTRIBUTION POLICY

### PREAMBLE AND BACKGROUND

Dividend is profits earned by the company and divided amongst the shareholders in proportion to the amount of paid up shares held by them. It is a return on investment made by the shareholders.

The term 'dividend' has been defined under Section 2(35) of the Companies Act, 2013 as which includes any interim dividend. It is an inclusive and not an exhaustive definition.

### DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be future growth and long term interests of the Company as well as its shareholders. Accordingly, the Board would continue to adopt a progressive dividend policy, ensuring the immediate as well as long term needs of the business.

### OBJECTIVE

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividend to its shareholders for a financial year. The policy is framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Brief Outline of the Objectives

- To define the policy and procedures of the Company in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.
- To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.
- To create a transparent and methodological Dividend policy, adherence to which will be required before declaring dividends.
- The Company will review this Policy annually and make necessary changes if deemed necessary or as and when there are regulatory changes, new regulations, directions, guidelines issued by the regulatory/government authorities from time to time.
- The Company shall pay dividend on equity shares only after ensuring compliance with the Companies Act, 2013 and SEBI Listing Regulations.

### 3. SCOPE, LAW AND REGULATION OF DIVIDEND

The declaration and payment of dividend are governed by various provisions of the Companies Act, 2013 viz.,

- Chapter - VIII of the Companies Act, 2013 from section 123 to 127 which deals with Declaration and payment of dividend; The Companies (Declaration and Payment of Dividend) Rules, 2014
- Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Section 27 of Security Contract Regulation Act, 1956
- Income Tax Act, 1961
- SEBI Guidelines/Circulars, etc. as amended from time to time and to the extent applicable.

The Company will adhere to the provisions of applicable Laws as amended from time to time and to the extent applicable.

The policy set out herein generally relates to final Dividend, certain principles also apply to Interim Dividend declared by the Board of Directors, as stated hereinafter.

The management will discuss and recommend to the Board of Directors on dividend considering the circumstances or factors but not limited to the following:

- Future expansion plans
- Profit earned during the current financial year
- Overall financial conditions
- Cost of raising funds from alternative sources
- Applicable taxes (including dividend distribution tax)
- Money market conditions
- Macro-economic situations, etc.

### 4. GENERAL TERMS

**Basis of recommending dividend:** The dividends are declared at the Annual General Meeting of the Company, based on recommendations of the Board of Directors (Board).

**Free Reserves:** The word "Free Reserves" has been defined by Section 2(43) of Companies Act, 2013 to mean such reserves which, as per the latest audited balance sheet of a

company, are available for distribution as dividend. However, the following shall not be treated as free reserves: any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

**Bonus shares** shall not be issued in lieu of dividend in terms of Section 63(3) of the Companies Act, 2013.

**Payment of dividend proportionately:** In terms of Section 51 of the Companies Act, 2013; companies are permitted to pay dividends in proportion to the amount paid-up on each share when all shares are not uniformly paid up, i.e. pro rata (in proportion or proportionately, according to a certain rate). The Board of Directors of a company may decide to pay dividends on pro-rata basis if all the equity shares of the company are not equally paid-up. The permission given by this Section is, however, conditional upon the company's articles of association expressly authorizing the company in this regard.

**Interim dividend:** The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. In case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years in terms of Section 123 (3) of Companies Act, 2013.

**Final Dividend:** It is declared by members at an Annual General Meeting as "Ordinary Business" in terms of Section 102(2)(ii) of the Companies Act, 2013 only if recommended by the Board of Directors and at a rate not more than what is recommended by the Directors in accordance with the Articles of Association of a company.

**Debenture Redemption Reserve:** Where debentures are issued by a company, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures in terms of Section 71 (4) of the Companies Act, 2013.

**Dividend Payout Ratio:** The dividend payout ratio measures the percentage of Net Profit (PAT) that is distributed to shareholders in the form of dividends during the year. In other words, this ratio shows the portion of profits, the company decides to keep for funding operations and the portion of profits that is given to its shareholders. It is calculated by dividing the proposed dividend (excluding taxes on dividend) by the Profit after tax and depreciation.

**Trading Window:** In terms of Regulation 2(1)(n) of SEBI (Prohibition of Insider Trading) Regulations, 2015; declaration

of dividends (interim or final) shall be treated as "Unpublished Price Sensitive Information." Hence, company shall comply with norms / compliances of trading window read with Company's Insider Trading Policy viz., Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to Regulation 9 of SEBI(Prohibition of Insider Trading) Regulations, 2015.

## 5. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

- Current year's Profit/ Inadequacy of profit
- Accumulated reserves
- Distributable surplus available as per the various Acts and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Cost and availability of alternative sources of financing
- Funds requirement for contingencies and unforeseen events with financial implications
- Capital market scenario
- Shareholders expectations
- Government Policies
- Macro- economic conditions
- Stipulations/ Covenants of loan agreements
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- Payout ratios considering probabilities of its consistency in coming time
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

## 6. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities, government policies & regulations and other relevant factors (as mentioned elsewhere in this policy) and accordingly declare dividend in any financial year.

The shareholders of the Company may not expect dividend under certain circumstances including the following,

- In the event of inadequacy of profits or whenever the Company has incurred losses;
- Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- Allocation of cash required for buy-back of securities; and
- Any of the internal or external factors restraining the Company from considering dividend.

## 7. CONFLICT IN POLICY

In the event of a conflict between this policy and the existing statutory regulations, the statutory regulations shall prevail.

## 8. MODIFICATION OF THE POLICY

The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI and other Regulations, etc.

## 9. REVIEW AND DISCLOSURE OF POLICY

The Board may review the Dividend Distribution Policy of the Company periodically and may make revisions or changes in the existing policy at any time during the year, if required. The

Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website.

## 10. UTILIZATION OF RETAINED EARNINGS

Retained earnings shall be utilized in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board of Directors of the Company. The Company shall endeavor to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

## 11. MODE OF PAYMENT

As per Regulation 12 of SEBI Listing Regulations, the Company shall use any of the electronic modes of payment facility approved by the Reserve Bank of India for the payment of the dividends. Where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued to the eligible shareholders. Further, where the amount payable as dividend exceeds ₹1,500 the payable-at-par warrants or cheques shall be sent by speed post.

## 12. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

**ANNEXURE - B****(TO THE DIRECTORS' REPORT)****Companies / Bodies Corporate which became / ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies as per the provisions of the Companies Act, 2013:****1. Companies / Bodies Corporate which became Subsidiaries during the financial year 2022-23:**

NIL

**2. Companies / Bodies Corporate which ceased to be Subsidiaries during the financial year 2022-23:**

NIL

**3. Companies / Bodies Corporate which became Joint Ventures or Associates during the financial year 2022-23:**

NIL

**4. Companies / Bodies Corporate which have ceased to be Joint Venture or Associate during the financial year 2022-23:**

NIL

For and on behalf of the Board

**Srinivas Sadu**  
Managing Director & CEO  
DIN: 06900659Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138**ANNEXURE - C****(TO THE DIRECTORS' REPORT)****FORM AOC-1****PART-A: SUBSIDIARIES INFORMATION**

Sl. No	Particulars	Details	
1.	Name of Subsidiary	Gland Pharma International Pte Ltd	Gland Pharma USA Inc. (Step-down Wholly owned subsidiary)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD/82.1825	USD/82.1825
4.	Share capital	1,075,000	500,000
5.	Reserves & Surplus	585,106	(7,565)
6.	Total Assets	18,310,708	508,580
7.	Total Liabilities	16,650,602	16,145
8.	Investments	500,000	-
9.	Turnover	27,924,199	402,241
10.	Profit / (Loss) before taxation	777,283	(7,565)
11.	Provision for taxation	119,841	-
12.	Profit / (Loss) after taxation	657,442	(7,565)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

**PART-B: ASSOCIATES AND JOINT VENTURES**

The Company does not have any Associates or Joint Ventures during the Financial year 2022-23

For and on behalf of the Board

**Srinivas Sadu**  
Managing Director & CEO  
DIN: 06900659Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138

**ANNEXURE - D****(TO THE DIRECTORS' REPORT)****Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:****1. Details of contracts or arrangements or transactions not at arm's length basis : NIL**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis**

There were no material contracts or arrangements or transactions made with the Related Parties during the Financial Year 2022-23.

The details of other contracts or arrangements with the Related Parties at arm's length basis are set out in the standalone financial statements forming part of this Annual Report. The same may be referred for this purpose.

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

For and on behalf of the Board

**Srinivas Sadu**  
Managing Director & CEO  
DIN: 06900659**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023**ANNEXURE - E****(TO THE DIRECTORS' REPORT)****CSR REPORT****[Annexure –II for The Companies (Corporate Social Responsibility Policy) Rules, 2014]****The Annual Report on CSR Activities to be included in the Board's Report for Financial Year ending March 31, 2023****1. Brief outline on CSR Policy of the Company.**

The 'Gland CSR Policy' encompasses the Company's (Gland) philosophy of "Serving Society through Industry" and is designed to employ Company's resources, strengths and strategies in discharging its responsibility as a Corporate Citizen.

Gland continues to strive to transform the business environment in which it operates. It also works for the transformation of the Society. The aim of Gland is to create an environment which enhances opportunities for all the good things, better education and overall quality of living that life has to offer. Gland designs its CSR initiatives in alignment with its objective of enhancing the quality of life in all aspects.

**The Objective of the Gland CSR Policy is to:**

- (i) Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- (ii) To directly or indirectly take up programs that benefit the communities, preferably but not necessarily in & around its Plants and offices.

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors of the Company has the power to approve the projects / programmes, for which the Annual CSR budget should be spent. However, the amount shall be spent on those activities as mentioned under Schedule VII of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.

Gland follows a project based accountability approach to assess the sustainability of the project through its action plan to qualify as 'short-term' and 'long-term' initiatives.

To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place at the Corporate Office. The progress of CSR programs under implementation at various locations will be reported to Corporate Office on a monthly basis and the Corporate Office will report to the Committee on a quarterly basis.

The CSR Department at the Corporate Office will conduct impact studies on a periodical basis, through independent professional third parties / professional institutions, especially on a strategic and high value programs.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Srinivas Sadu	Chairman of CSR Committee / MD & CEO	2	2
2.	Mr. Essaji Goolam Vahanvati	Member of the CSR Committee / Independent Director	2	2
3.	Dr. Jia Ai Zhang	Member of the CSR Committee/ Non-Executive Director (w.e.f. 20.07.2022)	1	1
4.	Ms. Guan Xiaohui	Member of the CSR Committee/ Non-Executive Director (till 26.08.2022)	1	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**[www.glandpharma.com/csr](http://www.glandpharma.com/csr)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has initiated impact assessment of CSR projects through independent agencies for the eligible projects completed in FY 2021-22. The reports are available on the Company's website at <https://glandpharma.com/images/Impact-Assessment-Study-Report-on-CSR-Projects-FY-2021-22.pdf>

- 5.** (a) Average Net Profit of the Company as per sub-section (5) of Section 135 : ₹ 13,093.33 Mn  
 (b) Two percent of average net profit of the Company as per sub section (5) of Section 135 : ₹ 261.87 Mn  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL  
 (d) Amount required to be set off for the financial year if any : NIL  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 261.87 Mn
- 6.** (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : ₹ 219,417,023 (the details of both Ongoing Projects and other than Ongoing Projects are provided as an Annexure to the CSR Report)  
 (b) Amount spent in Administrative Overheads : ₹ 6,200,862/-  
 (c) Amount spent on Impact Assessment, if applicable : ₹ 472,000/-  
 (d) Total amount spent for the Financial year [(a)+(b)+ (C)] : ₹ 226,089,885/-

**(e) CSR Amount spent or unspent for the Financial Year :**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
226,089,885	35,776,717	28.04.2023	Not Applicable	-	-

**(f) Excess if any setoff:**

Sl.No	Particulars	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 261.87 Mn
	Total amount spent for the Financial Year	₹ 261.87 Mn
	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

**7. Details of Unspent CSR amount for the preceding three financial years:**

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2020-21	43,759,538	Nil	17,838,545	N.A	N.A	nil	Not applicable
2.	2021-22	22,744,363	Nil	22,744,363	N.A	N.A	nil	Not applicable

- 8.** Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

**(asset-wise details) – Not Applicable**

**Note:** All the civil constructions, Machinery, furniture and fittings, etc. were constructed / installed in Govt. School buildings, Hospitals, etc. where the concerned Govt. School / Hospital will have absolute right over the capital asset. No capital asset was created under the ownership of the Company or Gland-Fosun Foundation.

- 9.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.: Not applicable

**Note:** The Company had commenced the construction of some of the school infrastructure, supply of furniture, construction of Bharosa centre, Restoration of de-graded lands and the construction of water tank in Pashamylaram in the mid of F.Y. 2022-23 and as they are long term projects, the entire amount on CSR was not spent during FY 2022-23. The projects were categorised as on-going projects and will be completed in FY 2023-24. The amount ear-marked for these projects was transferred to Unspent CSR account.

**Srinivas Sadu**

(Chairman of CSR Committee & Managing Director).  
DIN:06900659

**Essaji Goolam Vahanvati**

(Independent Director & Member of CSR Committee).  
DIN:00157299

Place: Hyderabad  
Date: 18.05.2023

## 1.(a) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	CSR Registration number.	
1.	Construction of additional classrooms and renovation of buildings in various schools (including two orphanage buildings attached to Govt. schools)	Promoting Education	Yes	Telangana	Medchal-Malkajgiri, Sangareddy, Hyderabad	1.5 years	112,253,839	104,788,832	7,465,007	No	Gland-Fosun Foundation	CSR000000676
2.	Furniture to various schools	Promoting Education	Yes	Telangana	Medchal-Malkajgiri, Sangareddy, Hyderabad	1.5 years	5,486,519	3,583,943	1,902,576	No	Gland-Fosun Foundation	CSR000000676
3.	Restoration of de-graded lands and ensure survival of tigers in Kawal landscape (Telangana) through community-based solutions	Conservation of Environment, Flora and Fauna	Yes	Telangana	Adilabad, Komaram Bheem Asifabad	1.5 years	7,027,000	2,810,800	4,216,200	No	Wildlife Conservation Society-India	CSR000001273
4.	construction of water storage facility in Pashamylaram village	Rural Development	Yes	Telangana	Sangareddy	1.5 years	9,216,000	6,945,180	2,270,820	No	Gland-Fosun Foundation	CSR000000676
5.	construction of Bharosa center for providing integrated support to women and children affected by violence / sexual abuse	Empowerment of Women	Yes	Telangana	Medak	1.5 years	32,717,321	12,795,207	19,922,114	No	Gland-Fosun Foundation	CSR000000676
						Total		166,700,679	130,923,962	35,776,717		

## 1.(b) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.	State	District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	Name and CSR registration number
1.	Free Breakfast to Govt. Schools' students	Promotion of Education and Eradication of Hunger	Yes	Telangana / Medchal-Malkajgiri and Sangareddy districts Andhra Pradesh / Vizag	Telangana	Medchal-Malkajgiri and Sangareddy districts	35,478,784	No	The Akshayapatra Foundation	CSR00000286
2.	Sponsorship of Teachers and support staff in Government Schools	Promotion of Education	Yes	Telangana / Medchal-Malkajgiri and Sangareddy districts	Telangana	Medchal-Malkajgiri and Sangareddy districts	6,213,407	No	Gland-Fosun Foundation	CSR000000676
3.	Sponsorship of Teachers and support staff in Orphanages	Promotion of Education and Eradication of Hunger	Yes	Telangana / Hyderabad	Telangana	Hyderabad	2,771,500	No	Gland-Fosun Foundation	CSR000000676
4.	Sponsorship of Food and Education for children in orphanages	Promotion of Education and Eradication of Hunger	Yes	Telangana / Hyderabad	Telangana	Hyderabad	850,000	No	Gland-Fosun Foundation	CSR000000676
5.	Sponsorship of Food, Education and infrastructure to children in orphanages	Promotion of Education and Eradication of Hunger	Yes	Telangana / Hyderabad	Telangana	Hyderabad	9,039,000	No	Arunodaya Trust	CSR00012742
6.	Promotion of education through Experiential Learning and State-level science fair	Promotion of Education	Yes	Telangana / Hyderabad	Telangana	Hyderabad	2,380,850	No	Gland-Fosun Foundation	CSR000000676
7.	Promotion of education for Tribal children	Promotion of Education	Yes	Telangana / Hyderabad, Komaram Bheem Asifabad	Telangana	Hyderabad, Komaram Bheem Asifabad	2,100,000	No	Gland-Fosun Foundation	CSR000000676
8.	Promotion of education for Slum area children	Promotion of Education	Yes	Hyderabad	Hyderabad	Hyderabad	745,000	No	Gland-Fosun Foundation	CSR000000676
9.	Comprehensive Health Plan for Socio-Economic Challenged Children	Promoting Healthcare including Preventive Healthcare	Yes	Telangana / Hyderabad	Telangana	Hyderabad	14,825,700	No	Gland-Fosun Foundation	CSR000000676

**ANNEXURE - F**  
**(TO THE DIRECTORS' REPORT)**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023**

**Form No. MR-3**

[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,  
**Gland Pharma Limited**  
Sy.No.143-148,150 &151, Near Gandimaisamma 'X' Roads  
D.P.Pally, Dundigal, Gandimaisamma(M)  
Medchal - Malkajgiri District  
Hyderabad-500 043  
Telangana.

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

Based on our verification of **Gland Pharma Limited's** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Company for the Financial Year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021; - **(Not Applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **(Not Applicable to the Company during the Audit Period)**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **(Not Applicable to the Company during the Audit Period)** and

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project.	(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency
			State	District			Name and CSR registration number
10.	Supply of Neo-natal warm blankets to various Govt. Hospitals	Promoting Healthcare including Preventive Healthcare	Yes	Andhra Pradesh / Krishna, Guntur	3,976,000	No	Gland-Fosun Foundation CSR00000676
11.	Supply of Food baskets to TB Patients under PMTBMA programme	Promoting Healthcare including Preventive Healthcare	Yes	Andhra Pradesh / Vizag	42,00,000	Yes	-
12.	Widening of road junctions, Maintenance of Greenery and Road stud-Marking	Public safety and conservation of environment	Yes	Telangana / Medchal-Malkajgiri	928,000	No	Gland-Fosun Foundation CSR00000676
13.	Adoption of Animals in Zoo	protection of flora and fauna, animal welfare	Yes	Telangana / Hyderabad Andhra Pradesh / Vizag	30,00,000	No	Gland-Fosun Foundation CSR00000676
14.	Distribution of Jute bags to general public	Conservation of environment	Yes	Andhra Pradesh / Vizag	130,820	No	Gland-Fosun Foundation CSR00000676
15.	Installation of streetlights in Pashamylaram	Rural Development	Yes	Telangana / Sangareddy	354,000	No	Gland-Fosun Foundation CSR00000676
16.	Sponsorship of sportsmen	Promotion of Olympic sports	Yes	Telangana / Hyderabad Andhra Pradesh / Vizag	1,500,000	No	Gland-Fosun Foundation CSR00000676
					<b>TOTAL</b>		<b>88,493,061</b>

**Annexure**

(j) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - **(Not Applicable to the Company during the Audit Period).**

(vi) **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 and other rules made thereunder;
- (b) The Narcotic Drugs and Psychotropic Substances Act, 1985
- (c) The Drugs (Prices Control) Order, 2013

We have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**

As on 31<sup>st</sup> March, 2023 the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non- Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, resolutions were carried out through majority decisions. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the Meetings held during the period under review.

**We further report** that there are adequate systems and processes in the Company to 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** the following are the major events happened during the period under review:

1. Postal Ballot was conducted vide notice dated 10<sup>th</sup> March, 2022 with commencement of voting from 22<sup>nd</sup> March, 2022 to 20<sup>th</sup> April, 2022
2. Re-appointment of Mr. Srinivas Sadu as Managing Director and CEO of the Company for a further period of 5 years w.e.f 25<sup>th</sup> April, 2022.
3. Appointment of Mr. Yao Fang as Director w.e.f. 20<sup>th</sup> April, 2022
4. Obtained approval from members in the Annual General Meeting held on August 30, 2022, to not fill the vacancy caused by retirement of Ms. Xiaohui Guan as a Director due to non-receipt of Security clearance from the Ministry of Home Affairs, Government of India.
5. Obtained approval from members in the Annual General Meeting held on August 30, 2022, to not fill the vacancy caused by retirement of Mr. Yifang Wu as a Director due to non-receipt of Security clearance from the Ministry of Home Affairs, Government of India.
6. Postal Ballot was conducted vide notice dated 03<sup>rd</sup> February, 2023 with commencement of voting from 05<sup>th</sup> February, 2023 to 06<sup>th</sup> March, 2023 for obtaining members approval to pay commission on profits as remuneration to Mr. Yiu Kwan Stanley Lau (Mr. Stanley Y Lau) (DIN: 08455325), Independent Director.
7. Further investment of upto USD 230 Mn as Equity in M/s. Gland Pharma International Pte Ltd, Wholly Owned Subsidiary of the Company.
8. As per the Gland Pharma ESOPs Scheme, 2019 the Company had issued Equity shares in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014:
  - (i) 1<sup>st</sup> Allotment on 29<sup>th</sup> April, 2022
  - (ii) 2<sup>nd</sup> Allotment on 15<sup>th</sup> June, 2022
  - (iii) 3<sup>rd</sup> Allotment on 15<sup>th</sup> September, 2022
  - (iv) 4<sup>th</sup> Allotment on 24<sup>th</sup> November, 2022
  - (v) 5<sup>th</sup> Allotment on 29<sup>th</sup> March, 2023.

**For RVR & Associates**

Company Secretaries  
PR. No. P2015TL082000

**D Soumya**

Associate Partner  
FCS. No: 11754  
CP. No. 13199  
UDIN: F011754E000333757  
Peer Review Cert. No.: 3175/2023

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023

**Note:** 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,  
**Gland Pharma Limited**  
Sy.No.143-148,150 &151, Near Gandimaisamma 'X' Roads  
D.P. Pally, Dundigal, Gandimaisamma(M)  
Medchal-Malkajgiri District  
Hyderabad-500 043  
Telangana.

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

- a. 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.
- b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and the happening of events, etc.
- e. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on a test basis.
- f. 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.
- g. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit in our opinion adequate systems and process and control mechanisms exist in the Company to monitor compliance with applicable general laws like labour laws, Environment laws and Data protection policy.
- h. We further report that the compliance by the Company with applicable fiscal laws like Direct & Indirect tax laws, – General and Other Specific laws as may be applicable to the Company, have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.
- i. All the documents, records and other information were verified and checked electronically as provided by the management.
- j. We further report that during the audit report there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulation, guidelines, standards, etc.

**For RVR & Associates**

Company Secretaries  
PR. No. P2015TL082000

**D Soumya**

Associate Partner  
FCS. No: 11754  
CP. No. 13199  
UDIN: F011754E000333757  
Peer Review Cert. No.: 3175/2023

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023

## ANNEXURE - G

(TO THE DIRECTORS' REPORT)

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

#### A. Conservation of Energy

##### (i) Steps taken to conserve energy

The Company has been committed to reduce energy consumption at various levels and various steps have been initiated to conserve Energy. Advanced models and tools were used to improve energy efficiency and reduce carbon footprint at Factories and Offices. The Lighting System in Corporate Office including the Cellar used for Car Parking is based on Artificial Intelligence with Auto ON/ OFF. Maximum windows were installed for better natural light and to avoid lights during day time.

In the Factories, HVAC systems run in Auto mode with Auto control system to avoid continuous run at high frequency. The water loop system runs with auto mode with reference to the utilization of user point pump. Speed varies automatically to save energy.

##### (ii) Steps taken to utilize alternate sources of energy

The Company has shifted from Furnace Oil to CNG for operating the Boilers in Dundigal, Pashmylaram and Shamirpet Facilities in Telangana to reduce pollution levels. The same activity is under progress in Vizag Facilities.

##### (iii) Capital investment on energy conservation equipment: NIL

#### B. Technology Absorption

##### RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R&D is carried out by the Company.	Formulation Development, Analytical Method Development, Stability studies and Development of new products.	
2. Benefits derived as a result of the above R&D	Developed new products and achieved cost and process efficiencies on existing products.	
3. Future plan of action	To develop processes for newer products and intermediates.	
4. Expenditure on R&D	2022-23 (₹ in million)	2021-22 (₹ in million)
a) Capital	168.59	341.88
b) Recurring	1,845.29	1931.54
c) Total	2,013.87	2,273.42
d) Total R&D Expenditure as a Percentage of Sales	5.56%	5.17%

##### Technology absorption, adaptation and innovation:

1. Efforts, in brief, are made towards technology absorption and adoption.	Works on Basic Drugs and Formulations related to the Company's existing activities at various levels of development.
2. Benefits derived as a result of the above efforts	Developed new products and achieved cost and process efficiencies on existing products.
3. Information regarding import of technology during the last 3 years.	NIL

#### C. Foreign Exchange Earnings and Outgo

PARTICULARS	2022-23	2021-22
(in million)		
<b>1. Foreign Exchange Earnings:</b>		
In USD	372.73	461.84
In EURO	1.62	9.63
In CAD	4.01	3.45
In AUD	0.77	0.33
In AED	4.81	-
Equivalent In ₹	30,589.57	35,145.01
<b>2. Foreign Exchange Outgo:</b>		
<b>Capital Expenditure</b>		
In USD	3.30	14.72
In EURO	1.62	5.98
Equivalent In ₹	398.35	1,628.54
<b>Revenue Expenditure</b>		
In USD	201.54	198.06
In EURO	13.23	8.44
Equivalent In ₹	17,420.37	15,514.73
<b>Payment to Financial Institutions</b>		-

For and on behalf of the Board

##### Srinivas Sadu

Managing Director & CEO  
DIN: 06900659

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023

##### Satyanarayana Murthy Chavali

Independent Director  
DIN: 00142138

**ANNEXURE - H****(TO THE DIRECTORS' REPORT)****Details of Employees Stock Option Scheme Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014**

The details of Stock Options as on March 31, 2023 under the Employees Stock Option Scheme-2019 of the Company are as under:

Sl. No	Particulars	Grant-1	Total
a.	Options granted		
	Options granted initially	154,950	154,950
	Additional options granted pursuant to Split	1,394,550	1,394,550
	Total Options in force - After Split (from ₹10/- to ₹1/-)	1,549,500	1,549,500
b.	Options vested	1,475,400	1,475,400
c.	Options exercised	1,418,000	1,418,000
d.	The total no. of shares arising as a result of exercise of options	1,418,000	1,418,000
e.	Options lapsed	74,100	74,100
f.	The Exercise Price (After Split)	542	542
g.	Variations of terms of Options	NIL	NIL
h.	Money realised by exercise of options (in ₹)	768,556,000	768,556,000
i.	Total number of options in force	57,400	57,400

**j. Employee-wise details of options granted during the year 2022-23 to –**

- (i) Key Managerial Personnel : NIL
- (ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year : NIL
- (iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : NIL

Note: The Company did not grant any Options during the Financial Years 2020-21, 2021-22 and 2022-23 and all the Options granted under the above mentioned Scheme was made during the Financial Year 2019-20.

For and on behalf of the Board

**Srinivas Sadu**

Managing Director & CEO  
DIN: 06900659

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023

**Satyanarayana Murthy Chavali**

Independent Director  
DIN: 00142138

**ANNEXURE - I.1****(TO THE DIRECTORS' REPORT)****Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2022-23:

Name	Designation	Ratio to median remuneration	% increase in remuneration in FY 2022-23
Mr.Srinivas Sadu	MD & CEO	534.15	5.60
Ms.Naina Lal Kidwai	Independent Director	21.60	3.84
Mr. Yiu Kwan Stanley Lau	Independent Director	11.48	15.49
Mr. Satyanarayana Murthy Chavali	Independent Director	6.60	10.0
Mr. Essaji Goolam Vahanvati	Independent Director	6.20	6.89
Mr. Udo J Vetter	Independent Director	6.60	13.79
Mr. Ravi Shekhar Mitra	Chief Financial Officer	N.A	24.73
Mr. Sampath Kumar Pallerlamudi	Company Secretary	N.A	(29.46)

**Note:**

- a) Mr. Srinivas Sadu and Mr. Sampath Kumar Pallerlamudi had exercised their Employee stock options and the perquisite value on exercise of stock options was also included in their remuneration for FY 2021-22 and FY 2022-23.
- b) Mr. Srinivas Sadu had received an amount (one time) of ₹ 65.18 Mn (Variable pay including an additional Payout Incentive of Over Profit target) in the FY 2021-22.
- c) There was no change in the Commission paid to Mr. Yiu Kwan Stanley Lau for the FY 2021-22 and FY 2022-23. The Commission paid was USD 60,000. The variation reflected in the last column is due to change in Exchange rate and change in sitting fees for attendance at Board Meetings.
- d) There was no change in the Commission paid to Independent Directors for the FY 2021-22 and FY 2022-23. The variation reflected in the column "% increase in remuneration in FY 2022-23" for independent directors is due to the change in payment of sitting fees for attendance at Board Meetings.
- e) Other Non-Executive and Non-Independent Directors were not paid any remuneration or sitting fee during FY 2022-23.

- (ii) The percentage increase in the median remuneration of employees in the financial year 2022-23: 13.7%
- (iii) Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2023: 4,585
- (iv) For the FY 2022-23, the average annual increase in the remuneration of employees (excluding the remuneration of managerial personnel) was 13.79% and for the managerial remuneration there was an increase of (31.66%) (excluding perquisite on exercise of ESOPs) on account of reason mentioned in Note (b) of (i) above.
- (v) It is affirmed that the remuneration is as per the Nomination and Remuneration policy of the Company.

For and on behalf of the Board

**Srinivas Sadu**

Managing Director & CEO  
DIN: 06900659

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2023

**Satyanarayana Murthy Chavali**

Independent Director  
DIN: 00142138

# Business Responsibility & Sustainability Report



## SECTION A: GENERAL DISCLOSURES

### I. Details of listed entity

1.	Corporate Identity Number (CIN) of the Company	L24239TG1978PLC002276
2.	Name of the Company	Gland Pharma Limited
3.	Year of incorporation	1978
4.	Registered office address	SY.NO.143-148,150 & 151, NEAR GANDI MAISAMMA X ROADS, D.P.PALLY, DUNDIGAL, DUNDIGAL - GANDIMAISAMMA(M), MEDCHAL- MALKAJGIRI DISTRICT, HYDERABAD TG 500 043 IN
5.	Corporate address	Plot No.11& 84,TSIIC, Phase-IV, Pashamylaram (V), Patancheru (M), Sangareddy District, Hyderabad, TG 502307 IN
6.	E-mail id	investors@glandpharma.com
7.	Telephone	+91-8455-699999
8.	Website	https://glandpharma.com/
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10.	Name of the Stock Exchanges where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11.	Paid-up Capital	₹ 164,700,823 (divided into 164,700,823 equity shares of ₹ 1 each)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Sampath Kumar Pallerlamudi, Company Secretary and Compliance Officer Email: investors@glandpharma.com Tel: +91 8455699999   Ext: 1194
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	All disclosures in this BRSR Report are on Standalone basis, unless otherwise mentioned.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover)

Sl. No	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1.	Pharmaceuticals	Pharmaceutical research and development, manufacturing, and marketing of complex injectables.	100%

#### 15. Products/Services sold by the Company (accounting for 90% of the turnover)

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1.	Development, manufacturing and sale of Generic Formulations	21009	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	8	1	9
International	0	2	2

#### 17. Markets served by the Company

##### a. Number of locations

Locations	Number
National (No. of States)	20
International (No. of Countries)	60

##### b. What is the contribution of exports as a percentage of the total turnover of the Company?

84.20%

##### c. Types of customers

The Company specializes in sterile injectables, oncology, and ophthalmic, with a specific focus on complex injectables, NCE-1s (New Chemical Entities), First-to-File products, and 505(b)(2) filings. The company functions primarily on a business-to-business (B2B) model and has a proven track record in pharmaceutical research and development, manufacturing, and marketing of complex injectables. Our business model is primarily B2B and our customers include other pharmaceutical companies, wholesalers, distributors, Hospitals, government institutions, etc.

### Employees

#### 18. Details as at the end of Financial Year, i.e. March 31, 2023:

##### a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	4,545	3,977	88%	566	12%
2.	Other than Permanent (E)	0	0	Nil	0	Nil
3.	<b>Total employees (D+E)</b>	<b>4,545</b>	<b>3,977</b>	<b>88%</b>	<b>566</b>	<b>12%</b>
<b>WORKERS</b>						
4.	Permanent (F)	40	23	57.50%	17	42.50%
5.	Other than Permanent (G)	0	0	Nil	0	Nil
6.	<b>Total workers (F+G)</b>	<b>40</b>	<b>23</b>	<b>57.50%</b>	<b>17</b>	<b>42.50%</b>

##### b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	2	100%	0	Nil
2.	Other than Permanent (E)	0	0	Nil	0	Nil
3.	<b>Total differently abled employees (D+E)</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>Nil</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	Nil	-	-
5.	Other than Permanent (G)	0	0	Nil	-	-
6.	<b>Total differently abled workers (F+G)</b>	<b>0</b>	<b>0</b>	<b>Nil</b>	<b>-</b>	<b>-</b>

## 19. Participation/Inclusion/Representation of women

Sl. No	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	1	11%
Key Management Personnel	3	0	0%

## 20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

	FY 2023			FY2022			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20%	25%	20%	20%	19%	20%	19%	18%	18%
Permanent Workers	4%	17%	10%	0%	0%	0%	0%	5%	2%

## IV. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. Name of holding/subsidiary/associate companies/joint ventures

Sl. No	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/Associate/Joint Venture	% of shares held by / in the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	GLAND PHARMA USA INC	Subsidiary (Wholly-owned step-down)	100%	No
2.	Gland Pharma International Pte Ltd	Subsidiary	100%	No
3.	Fosun Pharma International Pte. Ltd	Holding Company	58%	No

## V. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)  
Yes
- (ii) Turnover (in ₹) 36,165.28 Mn
- (iii) Net worth (in ₹) 79,532.98 Mn

## VI. Transparency and Disclosure Compliances

## 23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY2023			FY2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Company has CSR policy in place and capture the grievance while conducting various CSR activities.	NIL	N.A	-	NIL	NIL	-

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY2023			FY2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes For any grievance write to us at investors@glandpharma.com	NIL	NIL	-	NIL	NIL	-
Shareholders	Yes. The Board of Directors have constituted the Stakeholders Relationship and Share Transfer Committee to redress the complaints/grievances of the shareholders .	2	NIL	-	NIL	NIL	-
Employees and workers	Yes <a href="https://glandpharma.com/images/whistle_blower_policy.pdf">https://glandpharma.com/images/whistle_blower_policy.pdf</a>	NIL	NIL	-	NIL	NIL	-
Customers	Yes <a href="https://glandpharma.com/contact-us">https://glandpharma.com/contact-us</a>	NIL	NIL	-	NIL	NIL	-
Value Chain Partners	Yes	NIL	NIL	-	NIL	NIL	-

24. Overview of the Company's business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Occupational health and safety	R	The company acknowledges that its success is closely tied to the satisfaction and well-being of its employees, encompassing both their physical and mental health. It strives to create a supportive and nurturing environment that promotes employee satisfaction, taking into account their physical and mental well-being as integral components of a thriving workplace.	The Company has implemented an occupational health and safety management system that aligns with the ISO 45001 standard. Moreover, the Company has implemented a Hazard Identification and Risk Assessment (HIRA), SOP GSE024, which facilitates the conduct of risk assessments. The company has also established a Near Miss/ Incident Reporting System, through SOP: GSE013. That enables the company to effectively manage and document near misses and incidents.	Negative
2.	Community engagement	O	The company places significant importance on engaging with the communities in which it operates, aiming to build trust and foster harmony. By engaging with the local communities, the Company aims to contribute positively, address their concerns, and promote mutual understanding and cooperation.		Positive
3.	Regulatory compliance	R	The Company's business can be influenced by frequent and intricate regulatory changes.	The Company stays updated on amendments to rules, regulations, and laws by actively monitoring information provided by various government, industrial, and trade bodies. This ensures that the company remains informed about any changes that may affect its operations and enables it to maintain compliance with the evolving regulatory landscape.	Negative

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Promoting diversity	O	The company recognizes the importance of fostering a diverse and inclusive workforce at all levels of the Company. It is committed to cultivating a culture, implementing hiring practices, and promoting policies that embrace representation from diverse backgrounds.		Positive



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink of the policies, if available	<a href="https://glandpharma.com/investors/corporate-governance#governance-policies">https://glandpharma.com/investors/corporate-governance#governance-policies</a>								
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	ISO 45001:2018 ISO 14001:2015 ISO 9001 : 2015 WHO GMP certificates								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	The Company is committed to achieving its goals and targets through diligent planning, strategic decision-making, and continuous improvement. The Company's commitment extends to delivering exceptional products, fostering innovation, ensuring customer satisfaction, and adhering to the highest standards of quality and compliance.								
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	NA								



2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Monetary		Brief of the Case	Has an appeal been preferred? (Yes/No)
		Amount (In ₹)	Brief of the Case Has an appeal		
Penalty/ Fine Settlement Compounding fee	NIL	NIL			

NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Non-Monetary		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment	NIL			NIL	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NIL

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has a robust and comprehensive anti-corruption and anti-bribery policy in place to ensure ethical business practices and maintain the highest standards of integrity across all its operations.

Link of Anti-bribery Policy: [https://glandpharma.com/images/Anti\\_Bribery\\_Policy.pdf](https://glandpharma.com/images/Anti_Bribery_Policy.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

Not Applicable

Principle 2: Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	NIL	NIL	-
Capex	0.14%	-	Provision of Emergency Exit for Boiler Building

Note :The company considers Rolling Budget

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company demonstrates unwavering dedication to improve its operations by implementing a range of support measures. Regular vendor audits are conducted, and the adoption of internationally recognized management practices, such as ISO 9001, ISO 14001, ISO 45001, and the Company's Environment, Health, and Safety (EHS) Guidelines, is promoted.

In line with its commitment to sustainability, the Company actively encourages the practice of local sourcing for materials, striving to minimize its carbon footprint whenever possible, unless specific regulatory requirements mandate otherwise. Sustainable sourcing practices are prioritized, ensuring responsible procurement that considers environmental and social impacts.

b. If yes, what percentage of inputs were sourced sustainably?

The Company sources most of the materials in terms of volume from the local vendors including small and medium enterprises, even though the percentage in value is less compared to the high valued (but less volume) imported materials. The Company is committed to reduce the carbon footprint in sourcing the materials to the maximum possible extent.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company is committed to responsible and sustainable manufacturing practices, fostering a positive impact on the environment. It ensures that packing waste is sent exclusively to approved scrap vendors, while e-waste is responsibly directed to authorized recyclers. Furthermore, the Company takes appropriate measures to send hazardous waste to Treatment, Storage, and Disposal Facilities (TSDFs) facilities that are approved by Telangana State Pollution Control Board (TSPCB).

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the wellbeing of employees:

Category	Total (A)	% of employees covered by									
		Health insurance#		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities*	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	3,979	3,151	79%	Nil	Nil	N.A	N.A	Nil	Nil	-	-
Female	566	382	67%	Nil	Nil	566	100%	N.A	N.A	-	-
<b>Total</b>	<b>4,545</b>	<b>3,533</b>	<b>78%</b>	<b>Nil</b>	<b>Nil</b>	<b>566</b>	<b>12.45%</b>	<b>Nil</b>	<b>Nil</b>	<b>-</b>	<b>-</b>

Category	% of employees covered by										
	Total (A)	Health insurance <sup>#</sup>		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities <sup>*</sup>	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b><sup>5</sup>Other than Permanent employee</b>											
Male											
Female											
<b>Total</b>											

<sup>#</sup> Every employee of the Company is covered either under Health Insurance or under Employee State Insurance (ESI). The figures mentioned above are not covered under ESI and hence covered under separate Health Insurance. Remaining employees are covered by ESI.

<sup>5</sup> The Company does not have any employees other than Permanent Employees.

<sup>\*</sup> Day Care facility is available in the Company, but no employee has utilised the facility during the Current period.

b. Details of measures for the wellbeing of workers:

Category	% of workers covered by										
	Total (A)	Health insurance <sup>#</sup>		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities <sup>*</sup>	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	23	23	100%	Nil	Nil	N.A	N.A	Nil	Nil	Nil	Nil
Female	17	17	100%	Nil	Nil	17	100%	N.A	N.A	Nil	Nil
<b>Total</b>	<b>40</b>	<b>40</b>	<b>100%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**<sup>5</sup>Other than Permanent Workers**

Male  
Female  
**Total**

<sup>#</sup>The Company avails the services of the Contractors to provide workmen, who are other than permanent employees. As they change frequently, it is difficult to maintain the data of those employees. However, all the Contract workmen (other than permanent employees) are also covered under Employee State Insurance.

<sup>\*</sup> Day Care facility is available in the Company, but no worker has utilised the facility during the Current period.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2023			FY2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N.A	100%	100%	N.A
ESI*	22%	100%	Y	27%	100%	Y
Others- please specify						

\*78% of the employees who are not covered under ESI are covered under Health Insurance.

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard:

Yes

The offices are equipped with elevators and inclusive infrastructure, ensuring accessibility for differently-abled employees and workers. This commitment to creating an inclusive environment enables everyone to navigate the workspace with ease and dignity.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.:

Yes, the Company maintains a strong commitment to equal employment opportunity, extending to all applicants and employees. It strictly prohibits any form of discrimination based on legally protected characteristics, such as race, color, creed, sex (including gender harassment and harassment based on pregnancy, childbirth, or related medical condition), religion, marital status, age, national origin or ancestry, disability, medical condition, sexual orientation, veteran status, or any other category protected by applicable laws. The company is dedicated to providing equal employment opportunities at every stage of the employment or employee lifecycle.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers*	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	80%	NA	NA
<b>Total</b>	<b>100%</b>	<b>80%</b>	<b>NA</b>	<b>NA</b>

\*None of the permanent workers utilised Parental (Maternity) leave during the reporting period.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. :

Case Details	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes*
Other than permanent workers	
Permanent employees	
Other than permanent employees	

\*The Company has a well-established Grievance Redressal Policy to ensure that employee concerns and grievances are handled promptly and fairly. The Grievance Redressal Committee comprises key members, including the Legal Head, QC AGM, Alliance Management Head, HR & Administration Head, and other employees. Employees can raise their grievances by writing to the Grievance Committee, and upon receipt, the manager or HR will acknowledge the matter within a maximum of five working days. The Committee conducts a thorough and impartial enquiry into the grievance to ensure a fair resolution. All efforts are made to redress the grievance in a timely manner, promoting transparency and trust within the Company.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023			FY2022		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees/workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Total Permanent Employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>	<b>40</b>	<b>40</b>	<b>100%</b>	<b>44</b>	<b>44</b>	<b>100%</b>
- Male	23	23	100%	24	24	100%
- Female	17	17	100%	20	20	100%

## 8. Details of training given to employees and workers:

Benefits	FY2023					FY2022				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	3,979	3,763	95%	299	8%	3,990	3,876	97%	300	8%
Female	566	529	93%	21	4%	605	590	98%	22	4%
<b>Total</b>	<b>4,545</b>	<b>4,292</b>	<b>94%</b>	<b>320</b>	<b>7%</b>	<b>4,595</b>	<b>4,466</b>	<b>97%</b>	<b>322</b>	<b>7%</b>
<b>Workers</b>										
Male	23	23	100%	0	0	24	24	100%	0	0
Female	17	17	100%	0	0	20	20	100%	0	0
<b>Total</b>	<b>40</b>	<b>40</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>44</b>	<b>100%</b>	<b>0</b>	<b>0</b>

## 9. Details of performance and career development reviews of employees and workers:

Category	FY2023			FY2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	3,979	3,979	100%	3,990	3,990	100%
Female	566	566	100%	605	605	100%
<b>Total</b>	<b>4,545</b>	<b>4,545</b>	<b>100%</b>	<b>4,595</b>	<b>4,595</b>	<b>100%</b>
<b>Workers</b>						
Male	23	23	100%	24	24	100%
Female	17	17	100%	20	20	100%
<b>Total</b>	<b>40</b>	<b>40</b>	<b>100%</b>	<b>44</b>	<b>44</b>	<b>100%</b>

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company places utmost importance on the safety and well-being of its employees and acknowledges the significance of identifying work-related hazards. To achieve this objective, the Company has implemented a robust occupational health and safety management system in alignment with the ISO 45001 standard. This comprehensive system empowers the Company to proactively manage occupational health and safety risks, ensuring a safe and secure working environment for all its employees

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has taken proactive measures to ensure workplace safety by implementing a Hazard Identification and Risk Assessment (HIRA) procedure, detailed in SOP GSE024. Through this systematic approach, the Company can effectively identify potential hazards and thoroughly assess the risks associated with them. By conducting these risk assessments, the Company not only enhances workplace safety but also empowers employees to take necessary precautions and implement preventive measures.

- c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

The Company has implemented a robust Near Miss/Incident Reporting System, governed by SOP: GSE013. This systematic approach empowers the company to efficiently manage and meticulously document any near misses or incidents that occur. The procedure encourages all employees to promptly report any near misses or incidents they encounter, fostering a safety-first culture and proactive risk mitigation mindset. By embracing this reporting system, the Company demonstrates its unwavering commitment to ensuring the well-being and safety of its workforce.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The Company prioritizes the health and well-being of its employees and ensures comprehensive medical support through Occupational Health Centres (OHCs) at its factory locations. Each OHC is staffed with qualified medical practitioners, providing accessible healthcare services to all employees and workers. Additionally, the employees are covered under the Company's Medical Insurance and Employee State Insurance (ESI), enabling them to avail medical facilities at various partnered hospitals as per their specific requirements

## 11. Details of safety related incidents, in the following format:

Safety Incident /Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.5
	Workers	0	0.5
Total recordable work-related injuries	Employees	0	0
	Workers	1*	0
No. of fatalities	Employees	0	0
	Workers	1*	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*The work related injuries and fatalities have occurred to contract workers

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company demonstrates an unwavering commitment to prioritizing the health and safety of its employees and workers. The company has implemented Environmental, Health, and Safety (EHS) policy which serves as a comprehensive framework for managing risks and promoting a safe working environment. Additionally, the Company has obtained ISO 45001 certification, an internationally recognized standard for occupational health and safety management systems.

## 13. Number of Complaints on the following made by employees and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

## 14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.

The Company is committed to maintaining a safe and secure work environment for all. Whenever a safety-related incident occurs, the Company promptly conducts thorough investigations to identify the cause. This analysis helps in understanding the areas that require improvement and allows for targeted corrective actions to prevent similar incidents in the future.

**Principle 4: Business should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the Company.**

The company has established company-wide processes to encourage open and constructive dialogue with its stakeholders regularly. Participating in such communication enhances the company's understanding of pertinent issues and assists in identifying the attributes of stakeholders that make them valuable. The company makes continual efforts to understand their requirements, expectations, and interests to create value for the business. The company's stakeholder engagement strategy is focused on two-way communication to receive varying perspectives and apply them to the business.

**2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory Bodies and Government	No	Annual and Quarterly Compliance reports, Financial and statutory audits at regular intervals Website and newsletters	quarterly	Engagement with regulatory bodies is essential for organizations to comply with regulations, manage risks effectively, advocate for favorable policies, and maintain transparency and accountability in their operations.
B2B (Pharma companies, Marketing partners)	No	Regular visits and meetings and Customer satisfaction surveys	Continuous	Engagement with pharmaceutical companies and marketing partners is a strategic collaboration with the purpose of expanding market reach, leveraging specialized expertise and resources, ensuring compliance, and fostering mutual business growth.
B2C (Hospitals, Distributors & Government facilities)	No	Regular visits and meetings ,Customer satisfaction surveys, Competitive pricing, Toll free number	Continuous	Engagement with hospitals, distributors, and government facilities serves is with the purpose of enhancing supply chain efficiency, improving access to healthcare products and services, ensuring regulatory compliance and quality assurance, and optimizing costs
Business Partners (C&F Agents, Vendors, Suppliers, Bankers)	No	Structured meetings, Supplier audits and visits	Continuous	Engagement with business partners is about creating synergies by expanding market reach, sharing risks and resources, and fostering innovation through co-creation
Investors and Promoters (Domestic and International)	No	Annual reports ,Online updates, Investor meetings, Press conferences, Annual general meetings, Analyst meets	Annually	Engagement with investors and promoters revolves around capital infusion and growth, alignment of interests and governance, leveraging strategic guidance and expertise, and planning of financial strategy.
Employees (Permanent and Contractual)	No	Internal talent review, Regular updates through internal communication and email Ongoing training and development programmes	Continuous	Engagement with employees focus on enhancing employee motivation and productivity, creating a positive work culture, retaining talent, and promoting continuous improvement through feedback.
Communities	Yes	Regular interaction through CSR programmes ,Partnership with NGOs to provide support, Other initiatives to reduce environmental footprint	Continuous	Engagement with communities helps in building trust and reputation, fostering stakeholder collaboration, and ensuring long-term business sustainability.

**Principle 5: Business should respect and promote human rights****Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

While the company has not conducted specific training on human rights, it prioritizes employee well-being and compliance with ethical principles. During the induction training, employees receive comprehensive training on important topics such as the company's Code of Conduct, which emphasizes the importance of respecting and upholding human rights in the workplace and beyond. The Company remains committed to fostering a culture of respect, inclusivity, and human rights awareness throughout.

Category	FY2023			FY2022		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-
<b>Total Employees</b>	-	-	-	-	-	-
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-
<b>Total Workers</b>	-	-	-	-	-	-

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	4,545	0	0	4,545	100%	4,595	0	0	4,595	100%
Male	3,979	0	0	3,979	100%	3,990	0	0	3,990	100%
Female	566	0	0	566	100%	605	0	0	605	100%
<b>Other than Permanent</b>										
Male										
Female										
<b>Workers</b>										
<b>Permanent</b>	40	0	0	40	100%	44	0	0	44	100%
Male	23	0	0	23	100%	24	0	0	24	100%
Female	17	0	0	17	17%	20	0	0	20	100%
<b>Other than Permanent</b>										
Male										
Female										

## 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (in ₹ Million)	Number	Median remuneration/salary/wages of respective category (in ₹ Million)
Board of Directors (BoD)*	7	3.3	1	10.8
Key Managerial Personnel (KMP)	3	17.83	Nil	NIL
Employees other than BoD and KMP	3,976	0.51	566	0.41
Workers	23	0.86	17	0.75

\* The details of Mr. Srinivas Sadu, MD & CEO are not included in the Board of Directors, but it is included in KMP.

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has taken proactive steps to ensure a fair and supportive work environment by constituting an Employee Grievance Redressal Committee. This Committee is dedicated to address all types of workplace grievances, encompassing concerns related to pay, rights, privileges, and other employment-related matters, with the exception of Sexual Harassment issues. For such cases, a separate Internal Complaints Committee has been established to handle sexual harassment complaints.

Both the Grievance Redressal Committee and the Internal Complaints Committee serve as crucial focal points for addressing human rights issues that may arise or be contributed to by the business.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has established an Employee Grievance Redressal Committee to address any concerns raised by employees. Any employee of the Company has the right to bring forth an issue before the Committee. Upon receiving a grievance, the Committee conducts a thorough verification of the facts and initiates a fair and impartial inquiry into the matter. All parties involved are given a proper opportunity to present their perspective and be heard during the process. Based on the findings and after careful consideration, the Committee takes a well-informed decision to redress the grievance, ensuring transparency, fairness, and prompt resolution of issues.

## 6. Number of Complaints on the following made by employees and workers:

Benefits	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	1	0	NA	3	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to cultivating a work environment that promotes fairness, respect, and equality for all employees. In line with this steadfast commitment, the company has proactively implemented a robust whistle-blower policy to effectively address any grievances related to discrimination and harassment in the workplace. This policy serves as a crucial mechanism to encourage employees to come forward and report any instances of discrimination or harassment without fear of reprisal. By fostering an open and supportive culture, the Company strives to ensure the well-being and dignity of every individual, reinforcing its dedication to maintaining a safe and inclusive workplace for all.

## 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

## 9. Assessment for the year:

Case Details	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Other- please specify	NIL

Note: The Internal & external Auditors conduct assessments as per the Audit schedule. Assessments are also carried out by respective Government authorities and third parties appointed by the Customers. The Company has not received any non-compliance certification.

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

The Company has taken proactive measures by enhancing its policies and codes of conduct to explicitly prohibit Child Labour, Forced Labour, Sexual Harassment, Discrimination, and to ensure fair wages. These policies are effectively communicated to all employees, reinforcing the Company's commitment to maintaining a safe and respectful work environment.

Furthermore, regular assessments are conducted to monitor and verify compliance with these policies, ensuring that all practices align with the Company's ethical expectations.

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

## Essential Indicators

## 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter – in units	FY2023	FY2022
Total electricity consumption (A)	281,514	180,056
Total fuel consumption (B)	286,269	276,457
Energy consumption through other sources (C)	37,333	130,357
<b>Total energy consumption (A+B+C)</b>	<b>605,116</b>	<b>586,870</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in ₹ Mn)	16.69	13.33
Energy intensity (optional) – the relevant metric may be selected by the Company		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

## 2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the company doesn't fall under PAT scheme

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2023	FY2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	771,717	715,806
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>771,717</b>	<b>715,806</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>771,717</b>	<b>715,806</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover) (KL/INR Mn)	21.34	16.26
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

## 4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has implemented a comprehensive wastewater management system that includes multiple treatment processes. After the chlorination stage, the water undergoes treatment in Reverse Osmosis Plants (RO-I & II). Any rejects generated from RO-I & II are further treated in RO-III, followed by the Final Reverse Osmosis (RO-IV) system. The final rejects from the RO treatment are then sent to the Central Effluent Treatment Plant (CETP).

In addition to the RO systems, the Company operates a highly effective Sewage Treatment Plant (STP) that utilizes a Moving Bed Biofilm Reactor (MBBR) system. The treatment process includes several stages, starting with a collection tank, followed by an anoxic tank and an aeration tank. The wastewater then undergoes treatment in a Tube Deck system before being directed to a clarified tank. The process continues with sand and carbon filtration, concluding with Ultra Filtration that incorporates UV disinfection.

By incorporating these advanced treatment processes, the Company ensures efficient and environmentally responsible wastewater management, aligning with its commitment to sustainability and responsible industrial practices.

## 5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY2023	FY2022
NOx	mg\Nm <sup>3</sup>	43,422	42,915
SOx	mg\Nm <sup>3</sup>	35,657	41,528
Particulate matter (PM)	mg\Nm <sup>3</sup>	18,098	18,186
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The company does Environmental monitoring monthly through external NABL approved laboratory

## 6. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) &amp; its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11,929.60	12,579.30
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	80,669.60	78,475.20
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		<b>2.23</b>	<b>1.78</b>
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

## 7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company is committed to prioritizing sustainability and taking concrete actions to reduce greenhouse gas emissions. One of the key initiatives undertaken in this pursuit is the implementation of a solar power project. Recognizing the environmental impact of traditional energy sources, the Company is dedicated to embracing renewable energy solutions. By investing in solar power, the Company aims to make significant strides in reducing its carbon footprint and promoting a cleaner, more sustainable future.

## 8. Provide details related to waste management by the Company, in the following format:

Parameter	FY2023	FY2022
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)		
E-waste (B)	0.058	0.11
Bio-medical waste (C)	27.89	29.9
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0.092
Radioactive waste (F)	0	0
Other Hazardous Waste. Please specify, if any. (G)	24.841	16.88
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	426.87	407.76
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>479.659</b>	<b>454.742</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	426.87	407.76
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		
<b>For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	52.731	46.78
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

22-23 - Other Hazardous waste in MT (Crushed Glass Waste: 198.29, Packing Waste : 228.58)

21-22 - Other Hazardous waste in MT (Crushed Glass Waste: 182.72, Packing Waste : 225.04)

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is committed to its agreement with the TSDF facilities located in the city. It ensures that all waste generated is disposed of through the Telangana State Pollution Control Board Online Manifest System (TSPCBOMS). Furthermore, the Company diligently maintains detailed records of waste generation and disposal on a day-to-day basis. By adhering to these practices, the Company upholds its commitment to proper waste management and environmental stewardship.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
No Complaints received				

- Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/associations.  
3
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

Sl. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Pharmaceutical Export Promotion Council (PHARMEXCIL)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Not Applicable

Name of the authority	Brief of the case	Corrective action taken
Not applicable		

- Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Through its diverse range of CSR activities, the Company not only fosters community engagement but also implements an efficient grievance mechanism. This mechanism enables the Company to proactively capture and address any grievances raised by community members, ensuring that their concerns are attentively heard and promptly resolved.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter – in units	FY2023	FY2022
Directly sourced from MSMEs/small producers	The Company procures materials directly from MSMEs/small producers and from vendors within the district and neighbouring districts. However, the company does not maintain the data as a percentage of total materials sourced.	
Sourced directly from within the district and neighbouring districts		

**PRINCIPLE 9: Businesses should engage with & provide value to their consumers in a responsible manner****Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback .**

By adhering to industry best practices, the Company consistently and diligently follows a well-structured and customer-focused Standard Operating Procedure (SOP). This proactive approach enables the Company to address complaints efficiently, demonstrating its dedication to delivering excellent customer satisfaction. To facilitate seamless communication with customers, the Company has established mechanisms to receive and respond to consumer complaints and feedback. Customers can provide their valuable feedback through the dedicated portal at <https://glandpharma.com/contact-us>.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

Note: The Company does not maintain/record data pertaining to the percentage of turnover of products of the Company that carry information regarding environmental / social parameters relevant to the product and recycling and/or safe disposal of the products. The Company is in compliance of applicable laws and regulations w.r.t. product labelling and information

**3. Number of consumer complaints in respect of the following:**

Benefits	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber- security						
Delivery of essential services						
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices						
Unfair Trade Practices						
Other (product related)						

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

**5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Company's commitment to cyber security and data privacy is evident through its well-defined policy accessible on the intranet. This framework helps the Company to adhere to best practices, ensuring data protection and fortifying the Company's defenses against cyber threats.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No such incident recorded

# Financial Statements

## 143-204 Standalone Financial Statements

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# Independent Auditor's Report

## To the Members of Gland Pharma Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Gland Pharma Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023 the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS 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 audit opinion on the standalone Ind AS 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 standalone Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue from sale of products and services</b></p> <p>Refer to Note 2.1 (e) of the summary of significant accounting policies to the standalone Ind AS financial statements.</p> <p>Revenue is recognised when the entity has transferred the control for the promised goods or on completion of performance obligation. The Company has a large number of customers operating in various geographies and sale contracts with customers have different terms relating to the recognition of revenue.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We evaluated the Company's accounting policies related to revenue recognition and assessed its compliance in terms of Ind-AS 115 'Revenue from contracts with customers';</li> <li>We performed a walkthrough, evaluated the design and tested the operating effectiveness of controls related to the revenue recognition process;</li> </ul>

# Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
<p>Terms of sales arrangement, including the timing of transfer of control, Inco terms and identification of Performance obligations in case of service contracts require significant judgement in determining revenue.</p> <p>We identified the recognition of revenue from sale of products and services as a key audit matter as revenue is a key performance indicator and there could be a risk that revenue is recognised in the incorrect period.</p>	<ul style="list-style-type: none"> <li>For revenue from sale of products, we selected samples (including year-end testing of cut-off transactions) and tested the underlying documents, including customer contracts, invoices and shipping documents to assess and analyse the timing of recognition of revenue and contractual terms; Performed trend analysis over revenue as compared to previous periods.</li> <li>For revenue from sale of services, we selected samples and tested underlying documents and read, analysed the distinct performance obligations in these contracts.</li> <li>We assessed the disclosures in accordance with Ind AS 115 "Revenue from contracts with customers"</li> </ul>

#### Other Information

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

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

## Independent Auditor's Report

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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone Ind AS financial statements for the financial year ended March 31, 2023 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its

## Independent Auditor's Report

standalone Ind AS financial statements – Refer Note 46 (b) to the standalone Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest

in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the company; and
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vineet Kedia**

Partner

Membership Number: 212230

UDIN: 23212230BGSSET2533

Place of Signature: Hyderabad

Date: May 18, 2023

## Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

### Re: Gland Pharma Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (iii) (a) During the year, the Company has provided loans to other entity/placed deposits with financial institution, the details of which are tabulated below.

Particulars	Deposits with financial institution
<b>Aggregate amount granted / provided during the year</b>	
- Subsidiaries	-
- Joint ventures	-
- Associates	-
- Others (term deposits placed with a financial institution)	-
<b>Balance outstanding as at the balance sheet date in respect of above cases</b>	
- Subsidiaries	-
- Joint ventures	-
- Associates	-
- Others (term deposits placed with a financial institution)	2,000

During the year, the company has not stood guarantee or granted advances in the nature of loans or provided security to companies, firms, , limited liability partnership or any other parties.

- (b) During the year terms and conditions of the deposits placed with financial institution are not prejudicial to the Company's interest. During the year the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has granted loan/placed deposits with financial institution during the year to other party where the maturity terms and payment of interest has been stipulated.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to other party which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or

## Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

- without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of loans, investments, guarantees, and securities.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Active Pharmaceutical Ingredients and Formulations including Intermediates and services of contract research, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, , duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, duty of custom,, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount demanded (₹ In Mn)	Amount paid under dispute (₹ In Mn)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty)	3.85	3.85	April 2014 to March 2015	High Court, Hyderabad
Finance Act, 1994	Service Tax	1.03	0.07	April 2015 to March 2016	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	3.11	3.11	April 2019 to March 2020	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	0.50	-	June-2017	Customs, Excise and Service Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	1.73	1.73	April 2012 to March 2014	Telangana VAT Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	3.57	3.57	April 2014 to March 2017	Telangana VAT Appellate Tribunal, Hyderabad
Entry Tax of Goods and Local Areas Act, 2001	Entry Tax	44.40	22.20	April 2011 to March 2017	High Court, Hyderabad
Entry Tax of Goods and Local Areas Act, 2001	Entry Tax	2.60	0.64	April 2017 to June 2017	High Court, Hyderabad
Income Tax Act, 1961	Income Tax	16.76	16.76	Financial year April 2016 to March 2017	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	0.48	0.48	Financial year April 2017 to March 2018	Commissioner of Income-tax (Appeals)

## Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company did not raise any funds during the year. Hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has utilized the monies raised during the previous years by way of initial public offer for the purposes for which they were raised.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

## Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 51 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 32A to the financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in Note 32A to the financial statements.
- For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004
- per **Vineet Kedia**  
Partner  
Membership Number: 212230  
UDIN: 23212230BGSSET2533
- Place of Signature: Hyderabad  
Date: May 18, 2023

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GLAND PHARMA LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Gland Pharma Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's 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 the 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS

financial statements 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 controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to these standalone Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements 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, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial

statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vineet Kedia**

Partner

Membership Number: 212230

UDIN: 23212230BGSSET2533

Place of Signature: Hyderabad

Date: May 18, 2023

## Balance Sheet

as at March 31, 2023

(All amounts are in ₹ millions, except share data and unless stated otherwise)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	15,585.01	14,990.92
Capital work-in-progress	4	1,772.16	1,807.45
Right-of-use assets	5	3.86	5.66
Other Intangibles	6	116.61	25.35
Intangible assets under development	7	-	100.00
Financial assets			
Investments	8	81.57	81.57
Other financial assets	10	-	2,000.00
Tax assets (net)	12	225.22	49.89
Other non-current assets	13	1,063.98	836.15
		<b>18,848.41</b>	<b>19,896.99</b>
<b>Current assets</b>			
Inventories	14	19,453.00	11,856.67
Financial assets			
Investments	8	-	1,548.74
Loans	9	1.39	4.67
Trade receivables	11	8,628.39	10,748.05
Cash and cash equivalents	15	19,052.18	3,111.82
Bank balances other than cash and cash equivalents	16	18,617.80	27,746.21
Other financial assets	10	653.95	466.18
Other current assets	13	2,476.65	2,962.07
		<b>68,883.36</b>	<b>58,444.41</b>
		<b>87,731.77</b>	<b>78,341.40</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	164.70	164.30
Other equity	18	79,368.28	71,417.98
		<b>79,532.98</b>	<b>71,582.28</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	32.61	38.21
Lease liabilities	21	4.83	6.61
Other financial liabilities	22	17.33	17.33
Deferred tax liability (net)	23	842.03	877.60
		<b>896.80</b>	<b>939.75</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	5.60	1.12
Lease liabilities	21	1.49	1.49
Trade payables	20	-	-
Total outstanding dues of micro, small and medium enterprises		78.34	62.99
Total outstanding dues of creditors other than micro, small and medium enterprises		5,815.85	4,564.63
Other financial liabilities	22	163.05	209.05
Provisions	24	313.18	247.73
Current tax liabilities (net)	25	-	179.79
Other current liabilities	26	924.48	552.57
		<b>7,301.99</b>	<b>5,819.37</b>
		<b>87,731.77</b>	<b>78,341.40</b>
<b>Total Equity and Liabilities</b>			
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004per **Vineet Kedia**  
Partner  
Membership No. 212230Place: Hyderabad  
Date: May 18, 2023for and on behalf of the Board of Directors  
**Gland Pharma Limited****Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659**P. Sampath Kumar**  
Company SecretaryPlace: Hyderabad  
Date: May 18, 2023**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138**Ravi Shekhar Mitra**  
Chief Financial Officer

## Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in ₹ millions, except share data and unless stated otherwise)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from operations	27	36,165.28	44,007.08
Other income	28	2,404.64	2,239.40
<b>Total income (I)</b>		<b>38,569.92</b>	<b>46,246.48</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	17,167.51	20,468.62
Purchase of traded goods		155.93	256.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(469.17)	366.90
Power and fuel		1,248.37	950.54
Employee benefits expense	31	3,997.01	3,385.66
Depreciation and amortisation expense	34	1,467.36	1,102.96
Finance expenses	33	74.14	52.40
Other expenses	32	3,880.14	3,472.32
<b>Total expenses (II)</b>		<b>27,521.29</b>	<b>30,056.05</b>
<b>Profit before exceptional items and tax (III) = (I-II)</b>		<b>11,048.63</b>	<b>16,190.43</b>
Exceptional item (IV)	53	564.61	-
<b>Profit before tax (V) = (III-IV)</b>		<b>10,484.02</b>	<b>16,190.43</b>
<b>Tax expenses</b>			
Current tax	35	2,761.94	3,958.83
Deferred tax		(27.99)	140.08
Taxes of earlier years		(8.19)	(30.03)
<b>Total tax expense (VI)</b>		<b>2,725.76</b>	<b>4,068.88</b>
<b>Profit for the year (VII) = (V-VI)</b>		<b>7,758.26</b>	<b>12,121.55</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement loss on employee defined benefit plans		30.10	5.14
Deferred tax impact on remeasurement of defined benefit plans		(7.58)	(1.29)
<b>Total other comprehensive loss for the year, net of tax (VIII)</b>		<b>22.52</b>	<b>3.85</b>
<b>Total comprehensive income for the year, net of tax (IX) = (VII-VIII)</b>		<b>7,735.74</b>	<b>12,117.70</b>
<b>Earnings per share:</b>			
Basic, computed on the basis of profit attributable to equity holders	36	47.12	73.84
Diluted, computed on the basis of profit attributable to equity holders		47.11	73.67
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004per **Vineet Kedia**  
Partner  
Membership No. 212230Place: Hyderabad  
Date: May 18, 2023for and on behalf of the Board of Directors  
**Gland Pharma Limited****Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659**P. Sampath Kumar**  
Company SecretaryPlace: Hyderabad  
Date: May 18, 2023**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138**Ravi Shekhar Mitra**  
Chief Financial Officer

## Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### a. Equity share capital

Equity shares of ₹ 1 each, issued, subscribed and fully paid	No.	₹
<b>As at April 01, 2021</b>	<b>163,592,923</b>	<b>163.59</b>
Add: Issued during the year (refer note 17(a))	709,800	0.71
<b>As at March 31, 2022</b>	<b>164,302,723</b>	<b>164.30</b>
Add: Issued during the year (refer note 17(a))	398,100	0.40
<b>As at March 31, 2023</b>	<b>164,700,823</b>	<b>164.70</b>

### b. Other equity

Particulars	Reserves and surplus					Share Application Money	Other comprehensive income	Total
	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Retained earnings			
<b>As at April 01, 2021</b>	<b>18,401.09</b>	<b>33.44</b>	<b>31.22</b>	<b>254.21</b>	<b>40,227.23</b>	-	<b>(77.93)</b>	<b>58,869.26</b>
Profit for the year	-	-	-	-	12,121.55	-	-	12,121.55
Received on exercise of employee stock options	-	-	-	-	-	385.52	-	385.52
Other comprehensive income	-	-	-	-	-	-	(3.85)	(3.85)
Issue of equity shares on exercise of employee stock options	384.00	-	-	-	-	(384.71)	-	(0.71)
Employee stock option compensation expenses (refer note 38)	-	-	-	46.21	-	-	-	46.21
Transfer to Securities premium on exercise of employee stock options	168.83	-	-	(168.83)	-	-	-	-
<b>As at March 31, 2022</b>	<b>18,953.92</b>	<b>33.44</b>	<b>31.22</b>	<b>131.59</b>	<b>52,348.78</b>	<b>0.81</b>	<b>(81.78)</b>	<b>71,417.98</b>
Profit for the year	-	-	-	-	7,758.26	-	-	7,758.26
Received on exercise of employee stock options	-	-	-	-	-	214.96	-	214.96
Other comprehensive income	-	-	-	-	-	-	(22.52)	(22.52)
Issue of equity shares on exercise of employee stock options	215.37	-	-	-	-	(215.77)	-	(0.40)
Transfer to Securities premium on exercise of employee stock options	114.94	-	-	(114.94)	-	-	-	-
<b>As at March 31, 2023</b>	<b>19,284.23</b>	<b>33.44</b>	<b>31.22</b>	<b>16.65</b>	<b>60,107.04</b>	-	<b>(104.30)</b>	<b>79,368.28</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004

for and on behalf of the Board of Directors  
**Gland Pharma Limited**

per **Vineet Kedia**  
Partner  
Membership No. 212230

**Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659

**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138

**P. Sampath Kumar**  
Company Secretary

**Ravi Shekhar Mitra**  
Chief Financial Officer

Place: Hyderabad  
Date: May 18, 2023

Place: Hyderabad  
Date: May 18, 2023

## Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	10,484.02	16,190.43
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,467.36	1,102.96
Exceptional item	564.61	-
Allowance for credit losses	-	37.85
Other Assets written off	63.32	-
Bad debts written off	22.04	3.42
Interest expense	62.26	33.26
Finance charges on leases	0.61	0.76
Employee stock option compensation (refer note 38)	-	46.21
Unrealised foreign exchange loss/(gain)	15.42	(76.83)
Fair value gain on financial instruments at fair value through profit or loss	-	(15.26)
Profit on disposal of financial assets - mutual funds	(28.48)	(29.63)
Loss on disposal of property, plant and equipment (net)	0.81	1.78
Interest income	(1,794.17)	(1,386.45)
<b>Operating profit before working capital changes</b>	<b>10,857.80</b>	<b>15,908.50</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in receivables	1,525.52	(4,195.70)
(Increase)/Decrease in inventories	(7,596.33)	895.01
Decrease/(Increase) in loans	3.28	(2.13)
Decrease/(Increase) in other assets	358.94	(1,381.09)
Increase in trade payables and other financial liabilities	1,231.33	659.01
Increase in provisions and other liabilities	407.26	94.36
<b>Cash generated from operations</b>	<b>6,787.80</b>	<b>11,977.96</b>
Income tax paid (net of refunds)	(3,108.87)	(4,065.09)
<b>Net cash flow from operating activities (A)</b>	<b>3,678.93</b>	<b>7,912.87</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,209.29)	(5,113.27)
Proceeds from disposal of property, plant and equipment	1.40	3.99
Purchase of Other Intangibles	(21.90)	(107.92)
Payments to acquire financial assets - mutual funds	(4,699.79)	(12,204.72)
Proceeds from sale of financial assets - mutual funds	6,277.01	10,700.88
Investment in bank deposits (net)	11,128.41	(2,613.34)
Deposits with financial institutions	-	(2,000.00)
Interest received	1,606.40	1,308.17
Investment made in subsidiary	-	(76.08)
<b>Net cash flow used in investing activities (B)</b>	<b>12,082.24</b>	<b>(10,102.29)</b>

# Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Proceeds from the exercise of employee stock option	214.96	385.52
Repayment of long-term borrowings	(1.12)	(1.36)
Payment towards interest portion of lease liabilities	(0.61)	(0.76)
Payment towards principal portion of lease liabilities	(1.78)	(1.16)
Interest paid	(62.26)	(33.26)
<b>Net cash flows from financing activities (C)</b>	<b>149.19</b>	<b>348.98</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15,910.36</b>	<b>(1,840.44)</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	30.00	33.11
Cash and cash equivalents at the beginning of the year	3,111.82	4,919.15
<b>Cash and cash equivalents at the end of the year</b>	<b>19,052.18</b>	<b>3,111.82</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	0.16
With banks in current account	5,425.05	2,451.66
With banks in deposit account	13,627.00	660.00
<b>Total cash and cash equivalents (refer note 15)</b>	<b>19,052.18</b>	<b>3,111.82</b>
Summary of significant accounting policies (refer note 2.1)		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004

for and on behalf of the Board of Directors  
**Gland Pharma Limited**

per **Vineet Kedia**  
Partner  
Membership No. 212230

**Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659

**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138

**P. Sampath Kumar**  
Company Secretary

**Ravi Shekhar Mitra**  
Chief Financial Officer

Place: Hyderabad  
Date: May 18, 2023

Place: Hyderabad  
Date: May 18, 2023

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 1. Corporate information

Gland Pharma Limited (the 'Company') is a public limited company domiciled in India and is incorporated on March 20, 1978 under the provisions of the Companies Act applicable in India and is primarily engaged in manufacturing injectable formulations. The Company's shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Sy No. 143-148,150,151, Near Gandimaisamma X Roads, D.P.Pally, Dundigal, Dundigal - Gandimaisamma Mandal, Hyderabad, Medchal - Malkajgiri district, Telangana, 500043.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on May 18, 2023.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial Statements have been prepared on a historical cost convention, except for certain financial assets, financial liabilities and share based payments which are measured at fair value. The financial statements are presented in ₹ and all values are rounded to the nearest millions (₹ 1,000,000), except when otherwise indicated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.1 Summary of significant accounting policies

#### (a) New and amended standards

The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022. The company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37
- Conceptual framework for financial reporting under Ind AS issued by ICAI - Amendments to Ind AS 103
- Amendment to Ind AS 16, Ind AS 109 and Ind AS 41

These amendments had no impact on the financial statements of the company.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (c) Foreign currencies

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## (d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1 :** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2 :** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3 :** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's chief financial officer determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## (e) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

### Sale of products

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer and is net of trade discounts, sales returns and sales tax and goods & service tax (GST), where applicable, and the additional amount of profit share in case of exclusive arrangement, is recognised based on the terms of the agreement entered into with the customers, in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. Revenue includes shipping and handling costs billed to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on dispatch to the customer.

### Profit share revenues

The Company from time to time enters into marketing arrangements with certain customers for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the customers at a non-refundable base price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base price. The profit share is typically dependent on the customer's ultimate net sale proceeds or net profits,

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the customer to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base price is recognised in these transactions upon dispatch of goods to the customer. An additional amount representing the profit share component on the dispatched goods is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. At the end of each reporting period, the Company recognises the estimated variable consideration to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

### Sale of services

Revenue from sale of dossiers/licenses/services is recognised in accordance with the terms of the relevant agreements and is net of goods and service tax (GST), where applicable as accepted and agreed with the customers.

These arrangements typically consist of an initial up-front payment on inception of the agreement and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front amounts received in connection with these agreements are deferred and recognised over the period in which the Company has pending performance obligations. Milestone payments which are contingent on achieving certain milestones are recognised as revenues either on achievement of such milestones or over the performance period depending on the terms of the contract.

### Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has

received consideration (or the amount is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### Export benefits, incentives and licenses

Export benefits on account of duty drawback and export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

## (f) Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Goods and Service Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## (g) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a

replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

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 derecognition 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 profit and loss when the asset is derecognised.

## Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which are in line with Schedule II. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

Asset	Useful lives estimated by the management (years)
Buildings	30
Tube wells	5
Plant and Equipment	8-20
Laboratory Equipment	10
Office Equipment	5
Furniture and fixtures	5-10
Vehicles	8-10
Computers	3-6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

## (h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition 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 profit and loss, when the asset is derecognised.

## (i) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases

where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

## Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.

## Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

## Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss on straight line basis.

## (j) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on First in First Out (FIFO) basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing material: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares and consumables are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## (k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any

indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## (l) Provisions, Contingent liabilities and Contingent assets

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## (m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

## (n) Share - based payments

Some employees (including senior executives) of the company receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions).

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## (o) 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.

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debts Instrument at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest

# Notes to the Financial Statements

for the year ended March 31, 2023

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rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debts Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debts Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

#### Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) 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, and
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

#### Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in subsidiaries, the difference between the net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

#### 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 following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## Financial liabilities

### 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, 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.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liability at amortised cost

## Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## Reclassification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 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.

### (p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### (q) Research and Development

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the period in which it is incurred. Property, plant and equipment purchased for research and development is added to property, plant and equipment and depreciated in accordance with the policies of the Company.

### (r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### (s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as chief operating decision maker.

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated stated)

### 3 Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and machinery	Laboratory equipment	Research and Development Equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Tubewells	Total
<b>As at April 1, 2021</b>	<b>435.68</b>	<b>2,492.04</b>	<b>9,490.75</b>	<b>765.52</b>	<b>356.22</b>	<b>279.63</b>	<b>131.59</b>	<b>50.28</b>	<b>292.36</b>	<b>1.49</b>	<b>14,295.56</b>
Additions	191.39	710.83	4,903.85	289.08	341.88	40.48	14.87	0.40	65.65	0.09	6,558.52
Disposals	-	-	(48.39)	(1.08)	(5.93)	(17.95)	(3.85)	-	(4.87)	-	(82.07)
<b>As at March 31, 2022</b>	<b>627.07</b>	<b>3,202.87</b>	<b>14,346.21</b>	<b>1,053.52</b>	<b>692.17</b>	<b>302.16</b>	<b>142.61</b>	<b>50.68</b>	<b>353.14</b>	<b>1.58</b>	<b>20,772.01</b>
Additions	7.51	124.83	1,381.77	146.97	168.59	42.17	14.44	3.56	163.28	-	2,053.12
Disposals	-	-	(5.35)	(0.81)	(4.51)	(0.07)	(0.43)	(0.39)	(5.25)	-	(16.81)
<b>As at March 31, 2023</b>	<b>634.58</b>	<b>3,327.70</b>	<b>15,722.63</b>	<b>1,199.68</b>	<b>856.25</b>	<b>344.26</b>	<b>156.62</b>	<b>53.85</b>	<b>511.17</b>	<b>1.58</b>	<b>22,808.32</b>
<b>Depreciation</b>											
<b>As at April 1, 2021</b>	-	<b>520.30</b>	<b>3,360.09</b>	<b>312.32</b>	<b>200.90</b>	<b>131.28</b>	<b>56.76</b>	<b>16.62</b>	<b>160.94</b>	<b>1.49</b>	<b>4,760.70</b>
Charge for the year	-	94.69	768.07	88.64	39.38	27.09	19.12	6.45	53.25	-	1,096.69
Disposals	-	-	(43.08)	(0.97)	(5.79)	(17.78)	(3.81)	-	(4.87)	-	(76.30)
<b>As at March 31, 2022</b>	-	<b>614.99</b>	<b>4,085.08</b>	<b>399.99</b>	<b>234.49</b>	<b>140.59</b>	<b>72.07</b>	<b>23.07</b>	<b>209.32</b>	<b>1.49</b>	<b>5,781.09</b>
Charge for the year	-	119.44	1,043.36	108.45	62.24	29.06	22.15	6.04	66.06	0.02	1,456.82
Disposals	-	-	(3.44)	(0.66)	(4.51)	(0.04)	(0.35)	(0.39)	(5.21)	-	(14.60)
<b>As at March 31, 2023</b>	-	<b>734.43</b>	<b>5,125.00</b>	<b>507.78</b>	<b>292.22</b>	<b>169.61</b>	<b>93.87</b>	<b>28.72</b>	<b>270.17</b>	<b>1.51</b>	<b>7,223.31</b>
<b>Net carrying value</b>											
<b>As at March 31, 2022</b>	<b>627.07</b>	<b>2,587.88</b>	<b>10,261.13</b>	<b>653.53</b>	<b>457.68</b>	<b>161.57</b>	<b>70.54</b>	<b>27.61</b>	<b>143.82</b>	<b>0.09</b>	<b>14,990.92</b>
<b>As at March 31, 2023</b>	<b>634.58</b>	<b>2,593.27</b>	<b>10,597.63</b>	<b>691.90</b>	<b>564.03</b>	<b>174.65</b>	<b>62.75</b>	<b>25.13</b>	<b>241.00</b>	<b>0.07</b>	<b>15,585.01</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 4 Details of Capital work in progress (CWIP)

#### a) Movement in Capital work in progress

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening Balance	1,807.45	3,378.06
Additions during the year	2,017.83	4,987.91
Less: Capitalised during the year	(2,053.14)	(6,558.52)
<b>Closing balance</b>	<b>1,772.14</b>	<b>1,807.45</b>

#### b) Capital work in progress (CWIP) - Ageing Schedule

##### As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,210.14	211.52	226.42	124.08	1,772.16
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,210.14</b>	<b>211.52</b>	<b>226.42</b>	<b>124.08</b>	<b>1,772.16</b>

##### As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,292.30	374.66	140.49	-	1,807.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,292.30</b>	<b>374.66</b>	<b>140.49</b>	<b>-</b>	<b>1,807.45</b>

As at March 31, 2023 and March 31, 2022, there are no projects which have exceeded its cost as compared to its original plan.

Out of above, capital work-in-progress as at March 31, 2023, the following is the CWIP completion schedule whose completion is overdue:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
PMY-LYO	163.03	-	-	-	163.03
PMY-PFS	-	-	237.32	-	237.32
<b>Total</b>	<b>163.03</b>	<b>-</b>	<b>237.32</b>	<b>-</b>	<b>400.35</b>

As at March 31, 2022, there are no projects whose completion is overdue.

### 5 Right-of-use asset

Particulars	Total
<b>Right-of-use leasehold land</b>	
<b>Cost</b>	
As at April 01, 2021	11.41
As at March 31, 2022	11.41
As at March 31, 2023	11.41

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 5 Right-of-use asset (Contd..)

Particulars	Total
<b>Accumulated depreciation</b>	
As at April 01, 2021	3.95
Charge for the year	1.80
As at March 31, 2022	5.75
Charge for the year	1.80
As at March 31, 2023	7.55
<b>Net carrying value (refer note 47)</b>	
As at March 31, 2022	5.66
As at March 31, 2023	3.86

### 6 Other Intangibles

Particulars	Total
<b>Other Intangibles</b>	
<b>Cost</b>	
As at April 01, 2021	-
Additions	29.82
Disposals	-
As at March 31, 2022	29.82
Additions	100.00
Disposals	-
As at March 31, 2023	129.82
<b>Accumulated amortisation</b>	
As at April 01, 2021	-
Charge for the year	4.47
Disposals	-
As at March 31, 2022	4.47
Charge for the year	8.74
Disposals	-
As at March 31, 2023	13.21
<b>Net carrying value</b>	
As at March 31, 2022	25.35
As at March 31, 2023	116.61

### 7 Intangible assets under development (IAUD)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening balance	100.00	-
Add: Additions during the year	-	100.00
Less: Capitalisation during the year	(100.00)	-
Less: Impairment during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>100.00</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 7 Intangible assets under development (IAUD) (Contd..)

#### IAUD - Ageing Schedule

As at March 31, 2022

Particulars	For a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	100.00	-	-	-	100.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>

#### IAUD completion schedule (As at March 31, 2022)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
SHMT-BS	-	-	100.00	-	100.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>

#### Financial assets

### 8 Investments (Unquoted)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>At cost</b>				
<b>Equity shares (fully paid up)</b>				
10,750 (March 31, 2022: 10,750) equity shares of US \$ 100 each of Gland Pharma International Pte. Ltd., Singapore	81.57	81.57	-	-
<b>At Fair value through profit and loss account</b>				
Mutual funds	-	-	-	1,548.74
	<b>81.57</b>	<b>81.57</b>	<b>-</b>	<b>1,548.74</b>

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate value of unquoted investments	81.57	1,630.31
Aggregate amount of impairment in value of investments	-	-

### 9 Loans

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
<b>Other loans (Unsecured, considered good)</b>		
Loans to employees	1.39	4.67
	<b>1.39</b>	<b>4.67</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 10 Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>				
Deposits with financial institutions	-	2,000.00	-	-
Interest accrued, but not due on deposits with banks, financial institutions and others	-	-	653.95	466.18
	<b>-</b>	<b>2,000.00</b>	<b>653.95</b>	<b>466.18</b>

### 11 Trade receivables (Unsecured)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables from related parties (refer note 40)	1,963.45	362.86
Trade receivables from other parties	6,664.94	10,385.19
	<b>8,628.39</b>	<b>10,748.05</b>

#### Trade receivables - Ageing Schedule

As at March 31, 2023

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	787.04	5,293.00	2,445.47	92.05	33.10	-	-	8,650.66
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired (refer note 53)	28.76	135.87	350.67	49.31	-	-	-	564.61
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>815.80</b>	<b>5,428.87</b>	<b>2,796.14</b>	<b>141.36</b>	<b>33.10</b>	<b>-</b>	<b>-</b>	<b>9,215.27</b>
Less: Allowance for credit loss								(586.88)
<b>Total Trade receivables</b>								<b>8,628.39</b>

As at March 31, 2022

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	819.35	8,374.28	1,491.20	84.73	0.76	-	-	10,770.32
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	29.79	-	-	-	29.79
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-	-

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 11 Trade receivables (Unsecured) (Contd..)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>819.35</b>	<b>8,374.28</b>	<b>1,491.20</b>	<b>114.52</b>	<b>0.76</b>	-	-	<b>10,800.11</b>
Less: Allowance for credit loss								(52.06)
<b>Total Trade receivables</b>								<b>10,748.05</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 40.

Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

#### Breakup for security details

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured	8,628.39	10,748.05
Credit impaired	586.88	52.06
Less: Allowance for credit losses	(586.88)	(52.06)
	<b>8,628.39</b>	<b>10,748.05</b>

#### The details of changes in allowance for credit losses is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	52.06	14.21
Provision made/reversed during the year (net)	564.61	37.85
Trade receivables written off during the year	(29.79)	-
<b>Balance at the end of the year</b>	<b>586.88</b>	<b>52.06</b>

### 12 Tax assets

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>				
Advance income tax (net)	225.22	49.89	-	-
	<b>225.22</b>	<b>49.89</b>	-	-

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 13 Other assets

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>				
Capital advance	629.61	464.94	-	-
Security deposits	100.07	78.43	-	5.57
Advances for material supplies and services*	-	-	328.87	435.21
Prepaid expenses	-	-	137.75	141.61
Contract asset	-	-	872.59	1,348.97
Export rebate claims receivable	-	-	28.22	45.72
Export incentives receivable	-	22.08	88.37	313.95
Balance with statutory/ government authorities	334.30	270.70	1,020.85	671.04
	<b>1,063.98</b>	<b>836.15</b>	<b>2,476.65</b>	<b>2,962.07</b>

\* Includes amounts given to related parties of ₹ Nil (March 31, 2022: ₹ 328.65) (refer note 40)

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

### 14 Inventories (valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components*	9,793.31	4,662.51
Packing materials**	3,746.61	1,774.24
Finished goods***	886.68	591.47
Work-in-progress	4,614.65	4,440.69
Stores and spares****	411.75	387.76
	<b>19,453.00</b>	<b>11,856.67</b>

\*Includes goods in transit of ₹ Nil (March 31, 2022: ₹ 54.43)

\*\*Includes goods in transit of ₹ 132.40 (March 31, 2022: ₹ 16.46)

\*\*\*Includes stock in trade of ₹ 64.36 (March 31, 2022: ₹ 129.31)

\*\*\*\*Includes goods in transit of ₹ 0.66 (March 31, 2022: ₹ Nil)

### 15 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.13	0.16
Balances with banks		
On current accounts <sup>(1)</sup>	5,425.05	2,451.66
Deposits with original maturity of less than three months <sup>(2)</sup>	13,627.00	660.00
	<b>19,052.18</b>	<b>3,111.82</b>

<sup>(1)</sup> Includes balance of Initial Public Offer (IPO) proceeds of ₹ Nil (March 31, 2022: ₹ 29.96) in Current Account with a Scheduled commercial bank (under Escrow arrangement) which will be utilised as stated in the prospectus.

<sup>(2)</sup> Includes balance of Initial Public Offer (IPO) proceeds of ₹ Nil (March 31, 2022: ₹ 210.00) in a Scheduled commercial bank, which will be utilised as stated in the prospectus.

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 16 Bank balances other than cash and cash equivalents

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Other deposit accounts</b>				
Remaining maturity of less than 12 months	-	-	18,539.35	27,720.19
<b>Margin money deposits<sup>(1)</sup></b>				
Remaining maturity of less than 12 months	-	-	78.45	26.02
	-	-	<b>18,617.80</b>	<b>27,746.21</b>

<sup>(1)</sup>Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

### Breakup of financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Valued at amortised cost :</b>		
Deposits, Interest accrued on deposits and others	655.34	2,470.85
Trade receivables	8,628.39	10,748.05
Cash and cash equivalents	19,052.18	3,111.82
Bank balances other than cash and cash equivalents	18,617.80	27,746.21
<b>Valued at cost :</b>		
Investment in unquoted equity shares	81.57	81.57
<b>Valued at fair value through profit and loss account :</b>		
Investment in unquoted mutual funds	-	1,548.74
<b>Total financial assets</b>	<b>47,035.28</b>	<b>45,707.24</b>

### 17 Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
500,000,000 (March 31, 2022: 500,000,000) equity shares of ₹ 1 each	500.00	500.00
0.001 % 5,100,000 (March 31, 2022: 5,100,000) compulsorily convertible non cumulative preference shares of ₹ 10 each	51.00	51.00
0.001 % 1,200,000 (March 31, 2022: 1,200,000) redeemable convertible non cumulative preference shares of ₹ 10 each	12.00	12.00
	<b>563.00</b>	<b>563.00</b>
<b>Equity share capital:</b>		
<b>Issued, subscribed and fully paid up shares</b>		
164,700,823 (March 31, 2022: 164,302,723) equity shares of ₹ 1 each	164.70	164.30
	<b>164.70</b>	<b>164.30</b>

#### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	164,302,723	164.30	163,592,923	163.59
Add: Shares issued on exercise of employee stock option (refer note 38)	398,100	0.40	709,800	0.71
	<b>164,700,823</b>	<b>164.70</b>	<b>164,302,723</b>	<b>164.30</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 17 Share capital (Contd..)

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Equity shares of ₹ 10 each (Before sub division)	-	-	-	-	-

#### (b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has not paid any dividend during the year ended March 31, 2023 and March 31, 2022.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Fosun Pharma Industrial Pte. Ltd., Singapore (holding company)	95,293,934	95.29	95,293,934	95.29
	<b>95,293,934</b>	<b>95.29</b>	<b>95,293,934</b>	<b>95.29</b>

#### (d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	57.86%	95,293,934	58.00%
Nicomac Machinery Pvt Ltd	1,956,452	1.19%	9,551,115	5.81%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

(e) No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

#### (f) Shares reserved for issue under options

During the year ended March 31, 2020, the Company has instituted "the Gland Pharma Employee Stock Option Scheme 2019" ('ESOP Scheme 2019') pursuant to approval of "the Gland Pharma Employee Stock Option Plan 2019" ('Plan'). The maximum number of shares that may be issued pursuant to the scheme shall not exceed 1,704,440 shares. Out of 1,704,440 shares, 1,549,500 shares were granted on June 27, 2019 (grant date) to the eligible employees. The aforementioned shares are after subdivision of equity shares.

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 17 Share capital (Contd..)

#### (g) Details of shares held by promoters

##### As at March 31, 2023

Equity shares of ₹ 1 each fully paid :

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	-	95,293,934	57.86%	0.00%
<b>Total</b>	<b>95,293,934</b>	<b>-</b>	<b>95,293,934</b>	<b>57.86%</b>	<b>0.00%</b>

##### As at March 31, 2022

Equity shares of ₹ 1 each fully paid :

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	-	95,293,934	58.00%	0.00%
<b>Total</b>	<b>95,293,934</b>	<b>-</b>	<b>95,293,934</b>	<b>58.00%</b>	<b>0.00%</b>

### 18 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities premium</b>		
Balance at the beginning of the year	18,953.92	18,401.09
Add: Amount received towards Securities premium for stock option exercised	215.37	384.00
Add: Amount transferred from Share based payment reserve on account of exercise of stock options	114.94	168.83
<b>Balance at the end of the year</b>	<b>19,284.23</b>	<b>18,953.92</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	33.44	33.44
<b>Balance at the end of the year</b>	<b>33.44</b>	<b>33.44</b>
<b>General reserve</b>		
Balance at the beginning of the year	31.22	31.22
Balance at the end of the year	31.22	31.22
<b>Share based payment reserve</b>		
Balance at the beginning of the year	131.59	254.21
Add: Shares based compensation to employees for the year (refer note 38)	-	46.21
Less: Exercise of stock options	(114.94)	(168.83)
<b>Balance at the end of the year</b>	<b>16.65</b>	<b>131.59</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	52,348.78	40,227.23
Add: Profit for the year	7,758.26	12,121.55
<b>Balance at the end of the year</b>	<b>60,107.04</b>	<b>52,348.78</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 18 Other equity (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Share application money</b>		
Balance at the beginning of the year	0.81	-
Add: Money received for the year	214.96	385.52
Less: Allotment of Equity shares on exercise of stock options	(215.77)	(384.71)
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.81</b>
<b>Other comprehensive income</b>		
Items recognised directly in Other comprehensive income		
Balance at the beginning of the year	(81.78)	(77.93)
Re-measurement loss on employee defined benefit plans (net of tax)	(22.52)	(3.85)
<b>Balance at the end of the year</b>	<b>(104.30)</b>	<b>(81.78)</b>
	<b>79,368.28</b>	<b>71,417.98</b>

#### Nature and purpose of reserves

##### Securities premium

Securities premium is used to record the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

##### Capital redemption reserve

Capital redemption reserve represents the amount of profits transferred from general reserve for the purpose of redemption of preference shares or for the buy back of shares.

##### General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

##### Share based payment reserve

Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees as a part of their remuneration.

##### Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

##### Share application money

Money received as advance towards allotment of share capital is recorded as share application money pending allotment.

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 19 Borrowings

Particulars	Non-Current		Current maturities	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>From others (Unsecured)</b>				
Deferred sales tax loan (refer note below)	32.61	38.21	5.60	1.12
	<b>32.61</b>	<b>38.21</b>	<b>5.60</b>	<b>1.12</b>

Deferred sales tax is interest free and payable in 14 yearly unequal installments starting from October 2012, as per the sales tax deferment scheme. The last installment is payable in 2026-27.

### 20 Trade payables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Valued at amortised cost</b>		
Trade payables to third parties		
Due to micro, small and medium enterprises (refer note 39)	78.34	62.99
Other parties	5,760.97	4,542.69
Trade payables to related parties (refer note 40)	54.88	21.94
	<b>5,894.19</b>	<b>4,627.62</b>

#### Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

#### Trade payables - Ageing Schedule

##### As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
		Total outstanding dues of micro, small and medium enterprises	78.34	-	-	
Total outstanding dues of creditors other than micro, small and medium enterprises	2,896.36	2,891.51	17.82	8.59	1.57	5,815.85
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
<b>Total</b>	<b>2,974.70</b>	<b>2,891.51</b>	<b>17.82</b>	<b>8.59</b>	<b>1.57</b>	<b>5,894.19</b>

##### As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
		Total outstanding dues of micro, small and medium enterprises	62.99	-	-	
Total outstanding dues of creditors other than micro, small and medium enterprises	2,471.56	2,074.75	16.75	-	1.57	4,564.63
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
<b>Total</b>	<b>2,534.55</b>	<b>2,074.75</b>	<b>16.75</b>	<b>-</b>	<b>1.57</b>	<b>4,627.62</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 21 Lease liabilities

Particulars	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Valued at amortised cost</b>				
Lease liabilities (refer note 47)	4.83	6.61	1.49	1.49
	<b>4.83</b>	<b>6.61</b>	<b>1.49</b>	<b>1.49</b>

### 22 Other financial liabilities

Particulars	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Valued at amortised cost</b>				
Capital creditors*	-	-	154.93	200.18
Trade deposits payable	-	-	8.12	8.87
Refund liability	17.33	17.33	-	-
	<b>17.33</b>	<b>17.33</b>	<b>163.05</b>	<b>209.05</b>

\*Includes amount payable to micro, small and medium enterprises of ₹ 56.27 (March 31, 2022: ₹ 27.49) (refer note 39)

#### Breakup of financial liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Valued at amortised cost</b>		
Non current borrowings	32.61	38.21
Trade payables	5,894.19	4,627.62
Current maturities of non-current borrowings	5.60	1.12
Capital creditors	154.93	200.18
Trade deposits payable	8.12	8.87
Refund liability	17.33	17.33
Lease liabilities - Non Current	4.83	6.61
Lease liabilities - Current	1.49	1.49
<b>Total financial liabilities carried at amortised cost</b>	<b>6,119.10</b>	<b>4,901.43</b>

#### Changes in liabilities arising from financing activities for the year ended March 31, 2023:

Particulars	As at	Interest	Financing cash flows	As at
	April 01, 2022			March 31, 2023
Non-current borrowings (including current maturities)	39.33	-	(1.12)	38.21
Lease liabilities	8.10	0.61	(2.39)	6.32
<b>Total liabilities from financing activities</b>	<b>47.43</b>	<b>0.61</b>	<b>(3.51)</b>	<b>44.53</b>

#### Changes in liabilities arising from financing activities for the year ended March 31, 2022:

Particulars	As at	Interest	Financing cash flows	As at
	April 01, 2021			March 31, 2022
Non-current borrowings (including current maturities)	40.69	-	(1.36)	39.33
Lease liabilities	9.26	0.76	(1.92)	8.10
<b>Total liabilities from financing activities</b>	<b>49.95</b>	<b>0.76</b>	<b>(3.28)</b>	<b>47.43</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 23 Deferred tax liability

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax liability relating to</b>		
Property, plant and equipment and intangible assets	1,069.17	954.14
	<b>1,069.17</b>	<b>954.14</b>
<b>Deferred tax asset relating to</b>		
Provision for employee benefits	78.82	62.83
Allowance for credit losses	147.70	13.10
Leases	0.62	0.61
	<b>227.14</b>	<b>76.54</b>
	<b>842.03</b>	<b>877.60</b>

#### Deferred tax assets/ (liabilities):

##### For the year ended March 31, 2023:

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other compre- hensive income	Closing balance
Property, plant and equipment and intangible assets	954.14	115.03	-	1,069.17
Provision for employee benefits	(62.83)	(8.41)	(7.58)	(78.82)
Allowance for credit losses	(13.10)	(134.60)	-	(147.70)
Leases	(0.61)	(0.01)	-	(0.62)
<b>Deferred tax liability (net)</b>	<b>877.60</b>	<b>(27.99)</b>	<b>(7.58)</b>	<b>842.03</b>

##### For the year ended March 31, 2022:

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other compre- hensive income	Closing balance
Property, plant and equipment and intangible assets	799.01	155.13	-	954.14
Provision for employee benefits	(56.17)	(5.37)	(1.29)	(62.83)
Allowance for credit losses	(3.58)	(9.52)	-	(13.10)
Leases	(0.45)	(0.16)	-	(0.61)
<b>Deferred tax liability (net)</b>	<b>738.81</b>	<b>140.08</b>	<b>(1.29)</b>	<b>877.60</b>

### 24 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 37)	154.52	111.66
Provision for compensatory absences	158.66	136.07
	<b>313.18</b>	<b>247.73</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 25 Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax (net of advance tax and tax deducted at source)	-	179.79
	<b>-</b>	<b>179.79</b>

### 26 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	128.28	172.83
Advances from customers*	760.42	339.16
Liability towards Corporate Social Responsibility	35.78	40.58
	<b>924.48</b>	<b>552.57</b>

\* Includes amounts received from related parties of ₹ 9.56 (March 31, 2022: ₹ 7.49) (refer note 40)

### 27 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Revenue from contract with customers</b>		
- Revenue from sale of goods	32,643.45	39,699.88
- Revenue from sale of services	3,194.41	4,141.57
<b>(A)</b>	<b>35,837.86</b>	<b>43,841.45</b>
<b>B. Other operating income</b>		
- Export incentives	162.12	165.63
- Compensation and Claims*	165.30	-
<b>(B)</b>	<b>327.42</b>	<b>165.63</b>
<b>(A+B)</b>	<b>36,165.28</b>	<b>44,007.08</b>

\*Includes other operating income amounting to ₹ 165.30 (PY - ₹ Nil) related to settlement for a product pursuant to a confidential settlement agreement.

#### 27A Revenue from contract with customers:

##### (i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers, excluding other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USA	20,909.52	23,327.14
India	5,386.21	8,635.12
Europe	1,705.95	2,398.04
Canada	794.90	829.19
Australia	218.24	170.87
New Zealand	10.86	-
Rest of World (ROW)	6,812.18	8,481.09
	<b>35,837.86</b>	<b>43,841.45</b>
<b>Timing of revenue recognition</b>		
Services transferred over time	3,194.41	4,141.57
Goods transferred at a point of time	32,643.45	39,699.88
<b>Total</b>	<b>35,837.86</b>	<b>43,841.45</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 27 Revenue from operations (Contd..)

#### (ii) Contract balances

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	8,628.39	10,748.05
Contract assets (Unbilled revenue)	872.59	1,348.97
Contract liabilities	760.42	339.16

Contract liabilities represents the Company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Particulars	As at March 31, 2023	As at March 31, 2022
Refund liabilities	17.33	17.33
	<b>17.33</b>	<b>17.33</b>

Refund liability is accounted when the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. In development agreements where the Company's consideration is contingent on obtaining US FDA approvals within a specific time period, the consideration is refundable if the approvals fails, irrespective of whether the Company is at default or not.

#### (a) Significant change in contract liabilities is explained as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	339.16	342.47
Revenue recognised during the year	(339.16)	(311.84)
Contract liabilities recognised during the year	760.42	308.53
<b>Balance at the end of the year</b>	<b>760.42</b>	<b>339.16</b>
Expected revenue recognition from remaining performance obligations		
- within one year	760.42	339.16

#### (b) Significant change in refund liabilities is explained as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	17.33	17.33
Amount utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>17.33</b>	<b>17.33</b>

### 28 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest on</b>		
- Fixed deposits	1,791.17	1,383.93
- Others	3.00	2.52
Foreign exchange gain (net)	571.46	792.07
Insurance claim	-	0.44
Profit on disposal of financial assets - mutual funds	28.48	29.63
Gain on fair valuation of financial assets - mutual funds	-	15.26
Miscellaneous income	10.53	15.55
	<b>2,404.64</b>	<b>2,239.40</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 29 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw materials and packing materials</b>		
Inventory at the beginning of the year	6,436.75	7,022.00
Add: Purchases	24,270.68	19,883.37
	<b>30,707.43</b>	<b>26,905.37</b>
Less: Inventory at the end of the year	(13,539.92)	(6,436.75)
<b>Cost of materials consumed</b>	<b>17,167.51</b>	<b>20,468.62</b>

### 30 Changes in inventories of finished goods (including stock-in-trade) and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	886.68	591.47
Work in progress	4,614.65	4,440.69
	<b>5,501.33</b>	<b>5,032.16</b>
Inventories at the beginning of the year		
Finished goods	591.47	1,759.29
Work in progress	4,440.69	3,639.77
	<b>5,032.16</b>	<b>5,399.06</b>
	<b>(469.17)</b>	<b>366.90</b>

### 31 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3,589.50	2,999.48
Contribution to provident and other fund	160.30	131.35
Gratuity expense (refer note 37)	66.98	60.47
Staff welfare expenses	180.23	148.15
Employee stock option compensation expenses (refer note 38)	-	46.21
	<b>3,997.01</b>	<b>3,385.66</b>

### 32 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores Consumed	478.92	412.49
Rent (refer note 47)	9.87	11.18
Repairs and maintenance:		
- Plant and machinery	312.05	259.66
- Buildings	140.80	150.26
- Other	38.99	41.54
Rates and taxes	635.73	578.69
Quality control expenses	567.59	507.97
Research and development consumables	403.77	426.56
Legal and professional charges	354.06	185.12

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 32 Other expenses (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carriage outwards	197.07	350.80
Insurance	107.68	98.83
Printing and stationery	31.52	32.94
Travelling and conveyance	38.16	18.40
Selling and business promotion expenses	77.87	20.23
Sales commission	27.62	38.78
Payment to auditors:		
Audit fees	12.40	11.30
Certifications fees and others	0.08	1.40
Out of pocket expenses	0.70	0.08
Allowance for credit losses	-	37.85
Bad debts written off	22.04	3.42
Other Assets written off	63.32	-
Loss on disposal of property, plant and equipment (net)	0.81	1.78
Miscellaneous expenses	97.22	83.36
Corporate social responsibility(CSR) expenditure (refer note 32A)	261.87	199.68
	<b>3,880.14</b>	<b>3,472.32</b>

### 32A Details of CSR expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the company during the year	261.87	199.68
b) Amount approved by the Board to be spent during the year	261.87	199.68
c) Amount spent(in cash) during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	226.09	176.93
d) Details related to spent / unspent obligations :		
i) Spent amount in relation to :		
- Ongoing project	130.92	4.60
- Other than ongoing project	95.17	172.33
ii) Unspent amount in relation to :		
- Ongoing project	35.78	22.75
- Other than ongoing project	-	-

#### Details of ongoing project and other than ongoing project for the year :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Ongoing Projects :</b>		
Opening Balance :		
With Company	22.75	43.76
In Separate CSR Unspent A/C	18.34	-
Amount required to be spent during the year :	166.70	27.35
Amount spent during the year :		
From Company's bank a/c	130.92	4.60

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 32A Details of CSR expenditure (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
From Separate CSR Unspent A/C	41.09	25.92
Closing Balance :		
With Company*	35.78	22.75
In Separate CSR Unspent A/C	-	18.34
* Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 ("the Rules"), the Company has transferred the Unspent amount of ₹ 35.78 to a separate bank account subsequent to the balance sheet date.		
<b>b) Other than ongoing projects :</b>		
Opening Balance	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	95.17	172.33
Amount spent during the year	95.17	172.33
Closing Balance	-	-

### 33 Finance expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on others	62.26	33.26
Finance charges on leases (refer note 47)	0.61	0.76
Bank charges	11.27	18.38
	<b>74.14</b>	<b>52.40</b>

### 34 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,456.82	1,096.69
Depreciation on right-of-use assets (refer note 47)	1.80	1.80
Amortisation on Intangible assets	8.74	4.47
	<b>1,467.36</b>	<b>1,102.96</b>

### 35 Taxes

#### (a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are :

#### (i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	2,761.94	3,958.83
Deferred tax credit	(27.99)	140.08
Adjustment of current income tax relating to earlier years	(8.19)	(30.03)
<b>Total income tax expense recognised in Statement of profit and loss</b>	<b>2,725.76</b>	<b>4,068.88</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 35 Taxes (Contd..)

#### (ii) OCI Section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax credit on remeasurement of defined benefit plans	(7.58)	(1.29)
<b>Income tax charged to OCI</b>	<b>(7.58)</b>	<b>(1.29)</b>

#### (b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax (A)	10,484.02	16,190.43
Enacted tax rate in India (B)	25.168%	25.168%
Expected tax expenses (C = A*B)	2,638.62	4,074.81
<b>Tax effect of:</b>		
Expenses disallowed under the Income Tax Act, 1961	97.21	50.90
Adjustment for taxes with respect to earlier years	(8.19)	(30.03)
Income not taxable under the Income Tax Act, 1961	-	(28.66)
Others(net)	(1.88)	1.86
<b>Total (D)</b>	<b>87.14</b>	<b>(5.93)</b>
Expected tax expense (C+D)	2,725.76	4,068.88
Income tax expense	2,725.76	4,068.88
Effective tax rate	26.00%	25.13%

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied.

### 36 Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Profit for the year attributable to equity shareholders (₹)	7,758.26	12,121.55
ii) Weighted average number of equity shares in calculating basic EPS	164,636,953	164,153,034
iii) Dilutive effect of stock options outstanding	42,784	384,749
iv) Weighted average number of equity shares in calculating diluted EPS	164,679,737	164,537,783
v) Face value of each equity share (₹)	1.00	1.00
vi) Basic earnings per share (₹)	47.12	73.84
vii) Diluted earnings per share (₹)	47.11	73.67

### 37 Employee benefit plans

#### I Defined benefit plan

The Company has a defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with Life Insurance Corporation (LIC). Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 37 Employee benefit plans (Contd..)

#### A) Net employee benefit expense (recognised in Employee benefits expense)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	60.11	54.03
Interest cost on net defined benefit liability	6.87	6.44
<b>Net employee benefit expenses</b>	<b>66.98</b>	<b>60.47</b>

#### B) Amount recognised in the Balance Sheet

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation	538.46	437.29
Fair value of plan assets	(383.94)	(325.63)
<b>Net defined benefit liability</b>	<b>154.52</b>	<b>111.66</b>

#### C) Changes in the present value of the defined benefit obligation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	437.29	376.88
Current service cost	60.11	54.03
Interest cost	26.86	21.64
Benefits paid	(20.26)	(12.84)
Net Actuarial losses/(gain) on obligation for the year recognised under OCI	34.46	(2.42)
<b>Closing defined benefit obligation</b>	<b>538.46</b>	<b>437.29</b>

#### D) Change in the fair value of plan assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	325.63	264.79
Return on plan assets	20.00	15.21
Contributions	54.21	66.03
Benefits paid	(20.26)	(12.84)
Net Actuarial gain/(losses) on plan assets for the year recognised under OCI	4.36	(7.56)
<b>Closing fair value of plan assets</b>	<b>383.94</b>	<b>325.63</b>

The Company expects to contribute ₹ 215.67 to the gratuity fund in the next year (March 31, 2022: ₹ 163.24)

The average duration of the defined benefit obligation at the end of reporting period is 5 years (March 31, 2022 : 5 years)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investments with LIC	100%	100%

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 37 Employee benefit plans (Contd..)

#### E) Re-measurement adjustments:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Experience loss on plan liabilities	14.14	11.06
Experience (gain)/loss on plan assets	(4.36)	7.56
Financial loss/(gain) on plan liabilities	20.32	(9.36)
Demographic gain on plan liabilities	-	(4.12)
<b>Re measurement loss recognised in other comprehensive income:</b>	<b>30.10</b>	<b>5.14</b>

#### (i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.30%	6.15%
Salary rise	12.00%	10.00%
Attrition rate	19.00%	19.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

#### (ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1 year	104.51	85.66
2-5 years	315.96	234.02
6-10 years	215.02	175.72
>10 years	196.25	126.74

#### (iii) Sensitivity analysis:

A quantitative sensitivity analysis of significant assumptions is as shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(a) Effect of 1% change in assumed discount rate</b>		
- 1% increase	512.57	416.33
- 1% decrease	566.43	459.83
<b>(b) Effect of 1% change in assumed salary growth rate</b>		
- 1% increase	564.94	458.79
- 1% decrease	513.38	416.85

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 37 Employee benefit plans (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(c) Effect of 50% change in assumed attrition rate</b>		
- 50% increase	499.26	410.13
- 50% decrease	629.38	498.21

The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

#### II Defined contribution plan

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident fund	160.30	131.35

#### III Compensated absences

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total charge to statement of profit and loss is amounting to ₹ 41.75 and ₹ 7.85 for the year ended March 31, 2023 and March 31, 2022 respectively.

### 38 Share-based payments

The Company instituted the Gland Pharma Employee Stock Option Scheme 2019 ('ESOP Scheme 2019') pursuant to approval of the Gland Pharma Employee Stock Option Plan 2019 ('Plan'). ESOP Scheme 2019 has been approved by special resolution on May 24, 2019 by the shareholders at the General meeting of the Company. The scheme is to grant options to eligible employees. The Compensation Committee of the Board, based on satisfaction of prescribed criteria like number of years of service of the employee, industry experience of the employee, grade or level of the employee etc.; identifies the employees eligible for the scheme. The maximum number of shares that may be issued pursuant to exercise of options granted to the participants under ESOP plan and the relevant notified scheme(s) shall not exceed 1,704,440 shares (after subdivision of equity shares). Out of 1,704,440 shares, the committee granted 1,549,500 shares on June 27, 2019 (grant date) to eligible employees.

The method of settlement under scheme is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying equity share of ₹ 1/- each (after subdivision of equity shares). The said options shall vest as 40%, 30% and 30% over the variable period subject to satisfaction of Employee performance conditions specified in the Grant Letter.

The details of ESOP Scheme are summarised below (after subdivision of equity shares):

Grant	Grant date	Number of options granted	Exercise price	Weighted average fair value of option at grant date
1st Grant	June 27, 2019	1,549,500	542.00	248.46

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 38 Share-based payments (Contd..)

#### Movements during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No. of shares	Weighted average exercise prices (WAEP)	No. of Shares	Weighted average exercise prices (WAEP)
<b>Outstanding as at beginning of year</b>	455,500	-	1,170,400	-
Granted during the year	-	-	-	-
Exercised during the year	(398,100)	542	(709,800)	542
Lapsed during the year	-	-	(5,100)	-
<b>Outstanding as at end of the year</b>	<b>57,400</b>		<b>455,500</b>	
Weighted average remaining contractual life for the stock option outstanding as at reporting date (years)	Nil	-	Nil	-
Exercise price for options outstanding at the end of the year (₹)	542.00	-	542.00	-
Weighted average fair value of stock options granted during the year (₹)	288.73	-	237.86	-

The Black Scholes valuation model has been used for computing the fair value of options on the grant date considering the following inputs :

Particulars	
Time to maturity (years)	1,2 and 3
Fair value price	677.50
Exercise price*	542.00
Option life (years)	3.00
Expected volatility (%)	30%
Risk-free interest rate (%)	7.35%
Expected dividends (%)	0%
Expected term based on vesting period (weighted average term of vesting period in years) **	1.5, 2.5 and 3.5

\*As per ESOP Scheme 2019, the exercise price shall be at 20% discount to the market price, as determined at the time of grant.

\*\* As per Employee Stock Option Scheme, the vested options can be exercised within prescribed tenure and so for the purpose of expected term it is assumed that exercise will happen at middle of exercise period.

#### Share-based payment expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee stock option compensation expenses	-	46.21
<b>Total expense arising from share-based payment</b>	<b>-</b>	<b>46.21</b>

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 39 Trade Payables and Capital creditors (Details of dues to Micro, Small and Medium Enterprises as per MSMED Act,2006):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period.	134.61	90.48
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

### 40 Related party disclosures

#### Names of related parties and description of relationship

Name of the related party	Relationship
Shanghai Fosun Pharmaceutical (Group) Co., Ltd., China	Ultimate Holding Company
Fosun Pharma Industrial Pte. Ltd., Singapore	Holding Company of Gland Pharma Limited
<b>Subsidiary</b>	
Gland Pharma International Pte. Ltd., Singapore (incorporated on March 10, 2021)	
<b>Step-down subsidiary</b>	
Gland Pharma USA Inc., USA (incorporated on March 7, 2022)	
<b>Fellow subsidiaries#</b>	
Avanc Pharma Distribution Co., Ltd., China (Formerly known as Ahon Pharma Distribution Co., Ltd.)	
Avanc Pharmaceutical Co., Ltd., China (Formerly known as Ahon Pharmaceutical Co., Ltd.)	
Breas Medical AB, Sweden	
Chongqing Carelife Pharmaceutical Co., Ltd., China	
Fosun Diagnostics (Shanghai) Co. Ltd., China (Formerly known as Shanghai Fosun Long March Medical Science Co., Ltd.)	
Fosun Pharma USA Inc., USA	
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., China	
Suzhou Erye Pharmaceutical Co. Ltd., China	
Tridem Pharma SAS, France	
Wanbang Biopharmaceutical Company Limited, China (Formerly known as Jiangsu Wanbang Biopharmaceutical Company Limited)	
Jiangsu Wanbang Helios International Trade Co. Ltd., China	

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 40 Related party disclosures (Contd..)

Name of the related party	Relationship
<b>Key Management Personnel#</b>	
Srinivas Sadu	Managing Director and Chief Executive Officer
Ravi Shekhar Mitra	Chief Financial Officer
Satyanarayana Murthy Chavali	Independent Director
Yiu Kwan Stanley Lau	Chairman and Independent Director
P. Sampath Kumar	Company Secretary
Udo J. Vetter	Non-Executive Director (upto July 21, 2021)
	Independent Director (w.e.f. July 21, 2021)
Essaji Goolam Vahanvati	Independent Director
Nainalal Kidwai	Independent Director (w.e.f. May 17, 2021)

#Parties with whom transactions are entered

### Transactions during the year:

Particulars	Nature	As at	As at
		March 31, 2023	March 31, 2022
<b>Subsidiary</b>			
Gland Pharma International Pte Ltd.	Investment made	-	76.08
Gland Pharma International Pte Ltd.	Sale of goods	2,208.10	-
<b>Ultimate Holding Company</b>			
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Purchase of Services	50.53	-
<b>Fellow subsidiaries</b>			
Avanc Pharma Distribution Co., Ltd.	Sale of service	-	7.17
Avanc Pharmaceutical Co., Ltd.	Sale of service	-	0.72
Breas Medical AB	Purchase of goods	-	40.96
Chongqing Carelife Pharmaceutical Co., Ltd.	Purchase of raw material	-	74.23
Fosun Diagnostics (Shanghai) Co. Ltd.	Purchase returns	-	12.74
Fosun Pharma USA Inc.	Sale of goods	2,091.49	1,261.65
Fosun Pharma USA Inc.	Sale of service	161.45	47.00
Fosun Pharma USA Inc.	Reimbursement of expense	81.03	54.08
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	Reimbursement of expense	-	0.88
Suzhou Erye Pharmaceutical Co. Ltd.	Purchase of raw material	93.42	-
Tridem Pharma SAS	Sale of goods	36.05	372.10
Wanbang Biopharmaceutical Company Limited	Purchase of raw material	1,498.26	1,097.59
Jiangsu Wanbang Helios International Trade Co. Ltd.	Sale of goods	16.66	-
<b>Step-down subsidiary</b>			
Gland Pharma USA Inc.,	Selling and business promotion expenses	33.12	-
<b>Key Management Personnel<sup>^</sup></b>			
Managing Director & CEO, Chief Financial Officer and Company Secretary	Salaries and other employee benefits <sup>@</sup>	94.48	143.84
Non-executive / independent directors	Commission and other benefits	26.24	24.17

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 40 Related party disclosures (Contd..)

### Closing balances receivable/(payable) (Unsecured):

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Fosun Pharma USA Inc.	674.66	353.89
Fosun Pharma USA Inc.	(9.56)	(7.49)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	(4.53)	-
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	-	0.50
Tridem Pharma SAS	5.18	10.15
Wanbang Biopharmaceutical Company Limited	-	328.65
Gland Pharma USA Inc.,	(27.55)	-
Gland Pharma International Pte Ltd.	1,352.83	-
Jaingsu Wanbang Helios International Trade Co. Ltd.	(0.03)	-
Payable to Key Management Personnel	(22.81)	(21.94)

<sup>^</sup> As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

<sup>@</sup> Includes employee stock option compensation expenses amounting to ₹ Nil (March 31, 2022 : ₹ 8.02)

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

## 41 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 37.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 41 Significant accounting judgements, estimates and assumptions (Contd..)

### (ii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

### (iii) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### (iv) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

### (v) Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

### (vi) Share based payment

The Company measures the cost of equity-settled transactions with employees using Black Scholes model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 38.

### (vii) Estimate of Profit share

The Company determines the profit share basis the customer's confirmation of units sold and net sales or net profit computations for the products covered under the arrangement, subject to any reduction/adjustment as required by the terms of the arrangement. The company applies judgement in evaluating whether the profit share component recognised is only to the extent that it is highly probable that a significant reversal will not occur.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 42 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets at amortised cost:</b>				
Deposits, Interest accrued on deposits and others	655.34	2,470.85	655.34	2,470.85
Trade receivables	8,628.39	10,748.05	8,628.39	10,748.05
Cash and cash equivalents	19,052.18	3,111.82	19,052.18	3,111.82
Bank balances other than 'Cash and cash equivalents'	18,617.80	27,746.21	18,617.80	27,746.21
<b>Financial assets at cost:</b>				
Investment in unquoted equity shares	81.57	81.57	81.57	81.57
<b>Financial assets at Fair value through profit and loss account:</b>				
Investment in unquoted mutual funds	-	1,548.74	-	1,548.74
<b>Financial liabilities at amortised cost:</b>				
Borrowings (including current maturities)	38.21	39.33	38.21	39.33
Trade payables	5,894.19	4,627.62	5,894.19	4,627.62
Lease liabilities and Other financial liabilities	186.70	234.48	186.70	234.48

The management assessed that cash and cash equivalents, bank balances, trade receivables, loans, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## 43 Financial risk management objectives and policies

### Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

#### Trade receivables:

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables. The Company's receivables turnover is quick and historically, there were no significant defaults on account of any customer in the past. Ind AS requires an entity to recognise in statement of profit and loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 43 Financial risk management objectives and policies (Contd..)

amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

### Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 8,628.39 and ₹ 10,748.05 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

## B Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
<b>March 31, 2023:</b>					
Borrowings (including current maturities)	5.60	21.59	11.02	-	38.21
Trade payables	5,894.19	-	-	-	5,894.19
Lease liabilities and Other financial liabilities	183.09	3.74	-	-	186.83
	<b>6,082.88</b>	<b>25.33</b>	<b>11.02</b>	<b>-</b>	<b>6,119.23</b>
<b>March 31, 2022:</b>					
Borrowings (including current maturities)	1.12	12.70	25.51	-	39.33
Trade payables	4,627.62	-	-	-	4,627.62
Lease liabilities and Other financial liabilities	228.77	5.70	0.75	-	235.22
	<b>4,857.51</b>	<b>18.40</b>	<b>26.26</b>	<b>-</b>	<b>4,902.17</b>

Maturity analysis of lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	2.71	2.39
After one year but not more than three years	3.74	5.70
After three years but not more than five years	-	0.75
More than five years	-	-
	<b>6.45</b>	<b>8.84</b>

## C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

### C1. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 43 Financial risk management objectives and policies (Contd..)

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

### (a) Details of foreign currency risk from non-derivative financial instruments:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

Particulars	Currency	As at March 31, 2023			As at March 31, 2022		
		Amount in Foreign Currency	Amount in ₹	Conversion Rate	Amount in Foreign Currency	Amount in ₹	Conversion Rate
Cash and cash equivalent	USD	64.02	5,261.34	82.18	28.21	2,123.94	75.30
	EURO	0.42	37.57	89.47	2.47	206.94	83.79
Trade receivables	USD	97.24	7,991.65	82.18	99.47	7,490.34	75.30
	EURO	0.23	20.53	89.47	2.72	227.81	83.79
	AUD	0.36	19.69	55.03	-	-	-
	CAD	0.74	44.85	60.67	0.84	50.50	59.99
	AED	4.81	107.71	22.37	-	-	-
Trade payables	USD	38.97	3,202.56	82.18	33.11	2,520.08	76.10
	EURO	2.87	256.47	89.47	0.51	43.55	85.11
	GBP	0.00	0.10	101.64	0.00	0.45	100.17
	NOK	-	-	-	0.11	0.93	8.64
Capital creditors	USD	0.43	35.46	82.18	1.37	104.27	76.11
	EURO	0.35	31.08	89.47	0.33	27.81	85.11

### (b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase/(Decrease)	
<b>March 31, 2023</b>				
USD	1.00%	1.00%	100.15	(100.15)
EURO	1.00%	1.00%	(2.29)	2.29
<b>March 31, 2022</b>				
USD	1.00%	1.00%	69.90	(69.90)
EURO	1.00%	1.00%	3.63	(3.63)

## 44 Fair value Hierarchy

There are no Investments at Fair value through profit and loss account as at March 31, 2023.

The following table provides the Quantitative disclosures fair value measurement hierarchy of the Company's assets and liabilities measured at fair value as at March 31, 2022:

Particulars	As at March 31, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets</b>				
<b>Investments at fair value through profit and loss account</b>				
Unquoted mutual funds (refer note 8)	1,548.74	1,548.74	-	-

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company determines the capital requirement based on annual operating plans, long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements as it does not have any interest-bearing loans in the current period.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

### 46 Commitments and contingencies

#### a. Commitments

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,063.86	1,117.62

#### b. Contingent liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(i) Outstanding bank guarantees (excluding performance obligations)	98.21	17.86
(ii) Claims against the Company not acknowledged as debts	31.78	31.78
(iii) Demand for direct taxes	17.25	17.25
(iv) Demand for indirect taxes		
Entry tax	46.95	46.95
Service tax	8.50	8.50
Value Added Tax and CST	5.30	5.30
GST	12.75	-
(v) Provident Fund		
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. As a matter of caution, the Company has accordingly made the payments prospectively w.e.f. the order date. The Company will update its position, on receiving further clarity on the subject.		

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. The Company is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations. The Company's business involves Governmental and/or regulatory inspections, inquiries and commercial matters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Company. The management does not expect the same to have a materially adverse effect on its financial position, as it believes the likelihood of any loss is not probable.

## Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 47 Leases

#### Company as a Lessee

The Company has lease contracts for factory land and office premises. Lease contract for factory land is having a lease term of 15 years. The leases for office premises are having a term of 12 months or less and hence the Company has applied the short term exemption towards it.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Amount
<b>As at April 01, 2021</b>	<b>7.46</b>
Depreciation expense	(1.80)
<b>As at March 31, 2022</b>	<b>5.66</b>
Depreciation expense	(1.80)
<b>As at March 31, 2023</b>	<b>3.86</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Amount
<b>As at April 01, 2021</b>	<b>9.26</b>
Accretion of interest	0.76
Payment	(1.92)
<b>As at March 31, 2022</b>	<b>8.10</b>
Accretion of interest	0.61
Payment	(2.39)
<b>As at March 31, 2023</b>	<b>6.32</b>

For Maturity analysis of lease liabilities refer note 43B

#### The following are the amounts recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets	1.80	1.80
Interest expense on lease liabilities	0.61	0.76
Expense relating to short-term leases (included in other expenses)	9.87	11.18
<b>Total amount recognised in statement of profit and loss</b>	<b>12.28</b>	<b>13.74</b>

The Company has total cash outflow for leases of ₹ 2.39 and ₹ 1.92 for the year ended March 31, 2023 and March 31, 2022 respectively.

### 48 Segment reporting

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

**49** The Company has completed the Initial Public Offer ("IPO") of 43,196,968 Equity Shares of the face value of ₹ 1/- each at an issue price of ₹ 1,500/- per Equity Share, comprising offer for sale of 34,863,635 shares by Selling Shareholders and fresh issue of 8,333,333 shares. The Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on November 20, 2020.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 49 (Contd..)

The utilisation of the net IPO proceeds as at March 31, 2023 is summarised below:

Objects of the issue	Amount as per prospectus	Revised Amount	Utilisation upto 31-Mar-23	Unutilised amounts as at 31-Mar-23
Funding incremental working capital requirement	7,695.00	7,695.00	7,695.00	-
Funding capital expenditure requirement	1,680.00	1,680.00	1,680.00	-
General corporate purpose	2,864.68	2,875.00	2,875.00	-
<b>Total</b>	<b>12,239.68</b>	<b>12,250.00</b>	<b>12,250.00</b>	<b>-</b>

The utilisation of the net IPO proceeds as at March 31, 2022 is summarised below:

Objects of the issue	Amount as per prospectus	Revised Amount	Utilisation upto 31-Mar-22	Unutilised amounts as at 31-Mar-22
Funding incremental working capital requirement	7,695.00	7,695.00	7,695.00	-
Funding capital expenditure requirement	1,680.00	1,680.00	1,440.04	239.96
General corporate purpose	2,864.68	2,875.00	2,875.00	-
<b>Total</b>	<b>12,239.68</b>	<b>12,250.00</b>	<b>12,010.04</b>	<b>239.96</b>

IPO proceeds which were unutilised as at March 31, 2022 were temporarily invested in deposits with scheduled commercial bank and in monitoring agency account.

## 50 Research and development

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue expenditure (including depreciation)	1,845.29	1,931.54
Capital expenditure	168.59	341.88
	<b>2,013.88</b>	<b>2,273.42</b>

## 51 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for change (+/- 25%)
Current Ratio	Current assets	Current liabilities	9.43	10.04	-6%	
Debt- Equity Ratio	Total Debt <sup>(1)</sup>	Shareholder's Equity	0.00	0.00	0%	
Debt service Coverage Ratio	Earnings for debt service <sup>(2)</sup>	Debt service <sup>(3)</sup>	140.27	361.92	-61%	Refer note <sup>(7)</sup>
Return on Equity (ROE)	Net Profits after taxes + tax impact on exceptional item	Average Shareholder's Equity	11%	19%	-42%	Refer note <sup>(7)</sup>
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.53	2.18	-30%	Refer note <sup>(9)</sup>
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade receivable	3.73	5.09	-27%	Refer note <sup>(8)</sup>
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade payables	4.56	6.25	-27%	Refer note <sup>(10)</sup>
Net Capital Turnover Ratio	Revenue from operations	Working capital <sup>(4)</sup>	0.59	0.84	-30%	Refer note <sup>(8)</sup>
Net Profit Ratio	Net Profit after taxes	Revenue from operations	21%	28%	-25%	

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 51 Ratio Analysis and its elements (Contd..)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for change (+/- 25%)
Return on Capital Employed (ROCE)	EBIT <sup>(5)</sup> - taxes + tax impact on exceptional item	Average capital employed <sup>(6)</sup>	11%	18%	-39%	Refer note <sup>(7)</sup>
Return on Investment (ROI)						
- Unquoted - mutual funds	Income generated from investments	Time weighted average investments	3.32%	3.60%	-8%	
- Unquoted - Others	Income generated from investments	Time weighted average investments	5.54%	5.00%	11%	

<sup>(1)</sup> Debt represents borrowings and lease liabilities

<sup>(2)</sup> Earnings for debt service represents Net profit after taxes + Non-cash operating expenses

<sup>(3)</sup> Debt service represents Interest & Lease payments + Principal repayments

<sup>(4)</sup> Working capital represents Current assets – Current liabilities

<sup>(5)</sup> EBIT represents Earnings before Interest and Taxes

<sup>(6)</sup> Capital employed represents Total Assets – Current liabilities

<sup>(7)</sup> Decrease in Net Profit after Tax is majorly due to decrease in revenue and increase in operating expenses

<sup>(8)</sup> Decrease in Revenue from operations

<sup>(9)</sup> Increase in Average Inventory

<sup>(10)</sup> Increase in Average Trade Payables

## 52 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with struck off companies.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

# Notes to the Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 53 Exceptional item

Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹ 564.61 Mn. has been recorded as a provision for credit impaired financial assets. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.

## 54 Subsequent events

The Company, through its wholly owned subsidiary ("Gland Pharma International Pte. Ltd." or 'Gland Singapore'), has entered into a Put option agreement on November 29, 2022 to acquire 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as "Cenexi") and 3 holding companies of Cenexi and entered into a Share Purchase Agreement ('SPA') on January 06, 2023.

Subsequent to the balance sheet date, on satisfaction of customary closing conditions and receipt of the necessary regulatory approvals, Gland Singapore has paid an amount of EUR 114.26 Mn (after adjustments as per the terms and conditions of SPA) and refinanced the outstanding existing loan of EUR 79.46 Mn for the acquisition on April 27, 2023. Accordingly, no effect for the same is given in the financial statements.

Cenexi is in the business of Contract Development and Manufacturing Organisation ("CDMO") with sterile expertise and a track-record in ampoules, PFS and vials, and complex or niche formulations and/or dosage forms with a focus on high potent steriles and solids.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

for and on behalf of the Board of Directors

**Gland Pharma Limited**

per **Vineet Kedia**

Partner

Membership No. 212230

**Srinivas Sadu**

Managing Director and

Chief Executive Officer

DIN: 06900659

**Satyanarayana Murthy Chavali**

Independent Director

DIN: 00142138

**P. Sampath Kumar**

Company Secretary

**Ravi Shekhar Mitra**

Chief Financial Officer

Place: Hyderabad

Date: May 18, 2023

Place: Hyderabad

Date: May 18, 2023

# Financial Statements

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# Independent Auditor's Report

## To the Members of Gland Pharma Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Gland Pharma Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023 the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, 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 audit opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

#### Key audit matters

#### How our audit addressed the key audit matter

##### Revenue from sale of products and services

Refer to Note 2.2 (e) of the summary of significant accounting policies to the consolidated Ind AS financial statements.

Revenue is recognised when the entity has transferred the control for the promised goods or on completion of performance obligation. The Group has a large number of customers operating in various geographies and sale contracts with customers have different terms relating to the recognition of revenue.

Our audit procedures included the following:

- We evaluated the Group's accounting policies related to revenue recognition and assessed its compliance in terms of Ind AS 115 'Revenue from contracts with customers';
- We performed a walkthrough, evaluated the design and tested the operating effectiveness of controls related to the revenue recognition process;

# Independent Auditor's Report

#### Key audit matters

#### How our audit addressed the key audit matter

Terms of sales arrangement, including the timing of transfer of control, Inco terms and identification of Performance obligations in case of service contracts require significant judgement in determining revenue. We identified the recognition of revenue from sale of products and services as a key audit matter as revenue is a key performance indicator and there could be a risk that revenue is recognised in the incorrect period.

- For revenue from sale of products, we selected samples (including year-end testing of cut-off transactions) and tested the underlying documents, including customer contracts, invoices and shipping documents to assess and analyze the timing of recognition of revenue and contractual terms; Performed trend analysis over revenue as compared to previous periods.
- For revenue from sale of services, we selected samples and tested underlying documents and read, analysed the distinct performance obligations in these contracts.
- We assessed the disclosures in accordance with Ind AS 115 "Revenue from contracts with customers"

#### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and

other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

#### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS financial statements.

## Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 ability of the Group 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 consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and

performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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 consolidated Ind AS financial statements for the financial year ended March 31, 2023 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.

### Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of ₹ 1,546.62 Mn as at March 31, 2023 and total revenues of ₹ 2,275.13 Mn and net cash outflows of ₹ 45.54 Mn for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Of the above, 1 subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which has been audited by the other auditor under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it

## Independent Auditor's Report

relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.
- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - On the basis of the written representations received from the directors of the Holding Company as on

March 31, 2023 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding company, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

- With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;
- In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 46(b) to the consolidated Ind AS financial statements;
  - The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2023;
  - a) The management of the Holding Company has represented to us that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

## Independent Auditor's Report

the Holding Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

- b) The management of the Holding Company has represented to us that to the best of its knowledge and belief, no funds have been received by the Holding Company ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company; and
- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Vineet Kedia**  
Partner  
Membership Number: 212230  
UDIN: 23212230BGSSSE6367

Place of Signature: Hyderabad  
Date: May 18, 2023

## Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the consolidated financial statements of Gland Pharma Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- 3(xxi) There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) report of the Holding Company. Further, there is no Company other than the Holding company which is incorporated in India.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Vineet Kedia**  
Partner  
Membership Number: 212230  
UDIN: 23212230BGSSSE6367

Place of Signature: Hyderabad  
Date: May 18, 2023

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GLAND PHARMA LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Gland Pharma Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls of Gland Pharma Limited (hereinafter referred to as the "Holding Company") as of that date.

There is no Company other than the Holding company which is incorporated in India and hence reporting about adequacy and the operating effectiveness of the internal financial controls over financial reporting is not applicable for Company other than holding company.

### Management's Responsibility for Internal Financial Controls

The Holding company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the Holding 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to these consolidated Ind AS financial statements 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 controls with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to these consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial controls with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated Ind AS financial statements 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 Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal

financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Vineet Kedia**  
Partner  
Membership Number: 212230  
UDIN: 23212230BGSS6367

Place of Signature: Hyderabad  
Date: May 18, 2023

# Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	15,585.01	14,990.92
Capital work-in-progress	4	1,772.16	1,807.45
Right-of-use assets	5	3.86	5.66
Other Intangibles	6	116.61	25.35
Intangible assets under development	7	-	100.00
Financial assets			
Other financial assets	10	-	2,000.00
Tax assets (net)	12	225.22	49.89
Other non-current assets	13	1,064.41	836.15
		<b>18,767.27</b>	<b>19,815.42</b>
<b>Current assets</b>			
Inventories	14	19,453.00	11,856.67
Financial assets			
Investments	8	-	1,548.74
Loans	9	1.39	4.67
Trade receivables	11	8,713.94	10,748.05
Cash and cash equivalents	15	19,088.95	3,188.20
Bank balances other than cash and cash equivalents	16	18,617.80	27,746.21
Other financial assets	10	655.21	466.18
Other current assets	13	2,477.79	2,962.07
		<b>69,008.08</b>	<b>58,520.79</b>
<b>Total Assets</b>		<b>87,775.35</b>	<b>78,336.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	164.70	164.30
Other equity	18	79,422.52	71,411.91
<b>Equity attributable to the owners of the Company</b>		<b>79,587.22</b>	<b>71,576.21</b>
Non-controlling interests		-	-
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	32.61	38.21
Lease liabilities	21	4.83	6.61
Other financial liabilities	22	17.33	17.33
Deferred tax liability (net)	23	842.03	877.60
		<b>896.80</b>	<b>939.75</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	5.60	1.12
Lease liabilities	21	1.49	1.49
Trade payables	20		
Total outstanding dues of micro, small and medium enterprises		78.34	62.99
Total outstanding dues of creditors other than micro, small and medium enterprises		5,795.16	4,565.51
Other financial liabilities	22	163.05	209.05
Provisions	24	313.18	247.73
Current tax liabilities (net)	25	9.85	179.79
Other current liabilities	26	924.66	552.57
		<b>7,291.33</b>	<b>5,820.25</b>
<b>Total Equity and Liabilities</b>		<b>87,775.35</b>	<b>78,336.21</b>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004per **Vineet Kedia**  
Partner  
Membership No. 212230for and on behalf of the Board of Directors  
**Gland Pharma Limited****Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659**P. Sampath Kumar**  
Company SecretaryPlace: Hyderabad  
Date: May 18, 2023**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138**Ravi Shekhar Mitra**  
Chief Financial OfficerPlace: Hyderabad  
Date: May 18, 2023

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from operations	27	36,246.01	44,007.08
Other income	28	2,404.63	2,239.38
<b>Total income (I)</b>		<b>38,650.64</b>	<b>46,246.46</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	17,167.51	20,468.62
Purchase of traded goods		155.93	256.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(469.17)	366.90
Power and fuel		1,248.37	950.54
Employee benefits expense	31	4,032.61	3,385.66
Depreciation and amortisation expense	34	1,467.36	1,102.96
Finance expenses	33	74.47	52.42
Other expenses	32	3,863.13	3,477.19
<b>Total expenses (II)</b>		<b>27,540.21</b>	<b>30,060.94</b>
<b>Profit before exceptional items and tax (III)= (I-II)</b>		<b>11,110.43</b>	<b>16,185.52</b>
Exceptional item (IV)	54	564.61	-
<b>Profit before tax (V) = (III-IV)</b>		<b>10,545.82</b>	<b>16,185.52</b>
<b>Tax expenses</b>			
Current tax	35	2,771.57	3,958.83
Deferred tax charge		(27.99)	140.08
Taxes of earlier years		(8.19)	(30.03)
<b>Total tax expense (VI)</b>		<b>2,735.39</b>	<b>4,068.88</b>
<b>Profit for the year (VII)=(V-VI)</b>		<b>7,810.43</b>	<b>12,116.64</b>
<b>Attributable to:</b>			
- Owners of the Company		7,810.43	12,116.64
- Non-controlling interests		-	-
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of net investment in foreign operations		(8.14)	0.73
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement loss on employee defined benefit plans		30.10	5.14
Deferred tax impact on remeasurement of defined benefit plans		(7.58)	(1.29)
<b>Total other comprehensive loss for the year, net of tax (VIII)</b>		<b>14.38</b>	<b>4.58</b>
<b>Total comprehensive income for the year, net of tax (IX)=(VII-VIII)</b>		<b>7,796.05</b>	<b>12,112.06</b>
<b>Earnings per share:</b>			
Basic, computed on the basis of profit attributable to equity holders	36	47.44	73.81
Diluted, computed on the basis of profit attributable to equity holders		47.43	73.64
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
for **S.R.BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

per **Vineet Kedia**  
Partner  
Membership No. 212230

for and on behalf of the Board of Directors

**Gland Pharma Limited****Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659**P. Sampath Kumar**  
Company SecretaryPlace: Hyderabad  
Date: May 18, 2023**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138**Ravi Shekhar Mitra**  
Chief Financial OfficerPlace: Hyderabad  
Date: May 18, 2023

## Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### a. Equity share capital

Equity shares of ₹ 1 each, issued, subscribed and fully paid	No.	₹
<b>As at April 01, 2021</b>	<b>163,592,923</b>	<b>163.59</b>
Add: Issued during the year (refer note 17(a))	709,800	0.71
<b>As at March 31, 2022</b>	<b>164,302,723</b>	<b>164.30</b>
Add: Issued during the year (refer note 17(a))	398,100	0.40
<b>As at March 31, 2023</b>	<b>164,700,823</b>	<b>164.70</b>

### b. Other equity

Particulars	Reserves and surplus				Share Application Money	Other comprehensive income		Total	
	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve		Retained earnings	Re-measurement loss on employee defined benefit plans (net of tax)		Foreign currency translation reserve
<b>As at April 01, 2021</b>	<b>18,401.09</b>	<b>33.44</b>	<b>31.22</b>	<b>254.21</b>	<b>40,226.81</b>	<b>-</b>	<b>(77.93)</b>	<b>(0.01)</b>	<b>58,868.83</b>
Profit for the year	-	-	-	-	12,116.64	-	-	-	12,116.64
Received on exercise of employee stock options	-	-	-	-	-	385.52	-	-	385.52
Other comprehensive income	-	-	-	-	-	-	(3.85)	(0.73)	(4.58)
Issue of equity shares on exercise of employee stock options	384.00	-	-	-	-	-	-	-	(0.71)
Employee stock option compensation expenses (refer note 38)	-	-	-	46.21	-	-	-	-	46.21
Transfer to Securities premium on exercise of employee stock options	168.83	-	-	(168.83)	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>18,953.92</b>	<b>33.44</b>	<b>31.22</b>	<b>131.59</b>	<b>52,343.45</b>	<b>0.81</b>	<b>(81.78)</b>	<b>(0.74)</b>	<b>71,411.91</b>
Profit for the year	-	-	-	-	7,810.43	-	-	-	7,810.43
Received on exercise of employee stock options	-	-	-	-	-	214.96	-	-	214.96
Other comprehensive income	-	-	-	-	-	-	(22.52)	8.14	(14.38)
Issue of equity shares on exercise of employee stock options	215.37	-	-	-	-	-	-	-	(0.40)
Transfer to Securities premium on exercise of employee stock options	114.94	-	-	(114.94)	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>19,284.23</b>	<b>33.44</b>	<b>31.22</b>	<b>16.65</b>	<b>60,153.88</b>	<b>-</b>	<b>(104.30)</b>	<b>7.40</b>	<b>79,422.52</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached for **S.R.BATLIBOI & ASSOCIATES LLP** Chartered Accountants ICAI Firm Registration Number : 101049W/E300004

per **Vineet Kedia**  
Partner  
Membership No. 212230

for and on behalf of the Board of Directors  
**Gland Pharma Limited**

**Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659

**P. Sampath Kumar**  
Company Secretary

**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138

**Ravi Shekhar Mitra**  
Chief Financial Officer

Place: Hyderabad  
Date: May 18, 2023

Place: Hyderabad  
Date: May 18, 2023

## Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	10,545.82	16,185.52
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,467.36	1,102.96
Exceptional item	564.61	-
Allowance for credit losses	-	37.85
Other Assets written off	63.32	-
Bad debts written off	22.04	3.42
Interest expense	62.26	33.26
Finance charges on leases	0.61	0.76
Employee stock option compensation (refer note 38)	-	46.21
Exchange differences on translation of assets and liabilities, net	8.14	(0.73)
Unrealized foreign exchange loss/(gain)	15.42	(76.83)
Fair value gain on financial instruments at fair value through profit or loss	-	(15.26)
Profit on disposal of financial assets - mutual funds	(28.48)	(29.63)
Loss on disposal of property, plant and equipment (net)	0.81	1.78
Interest income	(1,794.17)	(1,386.45)
<b>Operating profit before working capital changes</b>	<b>10,927.74</b>	<b>15,902.86</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in receivables	1,439.97	(4,195.70)
(Increase)/Decrease in inventories	(7,596.33)	895.01
Decrease/(Increase) in loans	3.28	(2.13)
Decrease/(Increase) in other assets	356.47	(1,380.81)
Increase in trade payables and other financial liabilities	1,209.76	659.19
Increase in provisions and other liabilities	407.44	94.36
Cash generated from operations	6,748.33	11,972.78
Income tax paid (net of refunds)	(3,108.65)	(4,065.09)
<b>Net cash flow from operating activities (A)</b>	<b>3,639.68</b>	<b>7,907.69</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,209.29)	(5,113.27)
Proceeds from disposal of property, plant and equipment	1.40	3.99
Purchase of other intangibles	(21.90)	(107.92)
Payments to acquire financial assets - mutual funds	(4,699.79)	(12,204.72)
Proceeds from sale of financial assets - mutual funds	6,277.01	10,700.88
Investment in bank deposits (net)	11,128.41	(2,613.34)
Deposits with financial institutions	-	(2,000.00)
Interest received	1,606.04	1,308.17
<b>Net cash flow used in investing activities (B)</b>	<b>12,081.88</b>	<b>(10,026.21)</b>

# Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Proceeds from the exercise of employee stock option	214.96	385.52
Repayment of long-term borrowings	(1.12)	(1.36)
Payment towards interest portion of lease liabilities	(0.61)	(0.76)
Payment towards principal portion of lease liabilities	(1.78)	(1.16)
Interest paid	(62.26)	(33.26)
<b>Net cash flows from financing activities (C)</b>	<b>149.19</b>	<b>348.98</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15,870.75</b>	<b>(1,769.54)</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	30.00	33.11
Cash and cash equivalents at the beginning of the year	3,188.20	4,924.63
<b>Cash and cash equivalents at the end of the year</b>	<b>19,088.95</b>	<b>3,188.20</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	0.16
With banks in current account	5,461.82	2,528.04
With banks in deposit account	13,627.00	660.00
<b>Total cash and cash equivalents (refer note 15)</b>	<b>19,088.95</b>	<b>3,188.20</b>
Summary of significant accounting policies (refer note 2.1)		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004

for and on behalf of the Board of Directors  
**Gland Pharma Limited**

per **Vineet Kedia**  
Partner  
Membership No. 212230

**Srinivas Sadu**  
Managing Director and  
Chief Executive Officer  
DIN: 06900659

**Satyanarayana Murthy Chavali**  
Independent Director  
DIN: 00142138

**P. Sampath Kumar**  
Company Secretary

**Ravi Shekhar Mitra**  
Chief Financial Officer

Place: Hyderabad  
Date: May 18, 2023

Place: Hyderabad  
Date: May 18, 2023

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 1. Group information

The consolidated financial statements comprise consolidated financial statements of Gland Pharma Limited (the 'Holding Company' or the 'Company') and its subsidiary (collectively, the 'Group') for the year ended March 31, 2023. Gland Pharma Limited is a public limited company domiciled in India and is incorporated on March 20, 1978 under the provisions of the Companies Act applicable in India.

The Group is primarily engaged in manufacturing injectable formulations. The Company's shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Sy No. 143-148,150,151, Near Gandimaisamma X Roads, D.P.Pally, Dundigal, Dundigal - Gandimaisamma Mandal, Hyderabad, Medchal – Malkajgiri district, Telangana, 500043.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on May 18, 2023.

## 2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The consolidated financial statements have been prepared on a historical cost convention, except for certain financial assets, financial liabilities and share based payments which are measured at fair value. The consolidated financial statements are presented in INR and all values are rounded to the nearest millions (₹ 1,000,000), except when otherwise indicated.

The Company has incorporated a subsidiary - Gland Pharma International Pte. Ltd., Singapore during the year ended March 31, 2021 and on March 7, 2022, Gland Pharma International Pte. Ltd., Singapore (the "Subsidiary") has subscribed to the 100% shares of Gland Pharma USA Inc., USA (the "Step-down subsidiary").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the

investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

## Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to the Company in Company's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

## 2.2 Summary of significant accounting policies

### (a) New and amended standards

The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022. The company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37
- Conceptual framework for financial reporting under Ind AS issued by ICAI - Amendments to Ind AS 103
- Amendment to Ind AS 16, Ind AS 109 and Ind AS 41

These amendments had no impact on the financial statements of the company.

### (b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

### (c) Foreign currencies

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the company and the currency of the primary economic environment in which the company operates. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

### Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### Foreign operations

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognised in OCI and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising

upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in OCI and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, such that control, significant influence or joint control is lost, the relevant amount in the FCTR is transferred to the consolidated statement of profit and loss.

### (d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1 :** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2 :** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

**Level 3 :** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's chief financial officer determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## (e) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

### Sale of products

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer and is net of trade discounts, sales returns and sales tax and goods & service tax (GST), where applicable, and the additional amount of profit share in case of exclusive arrangement, is recognised based on the terms of the agreement entered into with the customers, in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. Revenue includes shipping and handling costs billed to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on dispatch to the customer.

### Profit share revenues

The Company from time to time enters into marketing arrangements with certain customers for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the customers at a non-refundable base price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base price. The profit share is typically dependent on the customer's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the customer to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base price is recognised in these transactions upon dispatch of goods to the customer. An additional amount representing the profit share component on the dispatched goods is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. At the end of each reporting period, the Company recognises the estimated variable consideration to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

### Sale of services

Revenue from sale of dossiers/licenses/services is recognised in accordance with the terms of the relevant agreements and is net of goods and service tax (GST), where applicable as accepted and agreed with the customers.

These arrangements typically consist of an initial up-front payment on inception of the agreement and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front amounts received in connection with these agreements are deferred and recognised over the period in which the Company has pending performance obligations. Milestone payments which are contingent on achieving certain milestones are recognised as revenues either on achievement of such milestones or over the performance period depending on the terms of the contract.

### Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### Export benefits, incentives and licenses

Export benefits on account of duty drawback and export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

## (f) Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Goods and Service Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## (g) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment

# Notes to the Consolidated Financial Statements

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is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

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 derecognition 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 profit and loss when the asset is derecognised.

## Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which are in line with Schedule II. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

Asset	Useful lives estimated by the management (years)
Buildings	30
Tube wells	5
Plant and Equipment	8-20
Laboratory Equipment	10
Office Equipment	5
Furniture and fixtures	5-10
Vehicles	8-10
Computers	3-6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

## (h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no

future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition 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 profit and loss, when the asset is derecognised.

## (i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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(All amounts are in INR millions, except share data and unless stated otherwise)

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

## Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.

## Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The

lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

## Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss on straight line basis.

## (j) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on First in First Out (FIFO) basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing material: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

## Notes to the Consolidated Financial Statements

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- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares and consumables are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only

if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at each reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### (l) Provisions, Contingent liabilities and Contingent assets

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### Contingent assets

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are

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(All amounts are in INR millions, except share data and unless stated otherwise)

assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### (m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Group treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

### (n) Share - based payments

Some employees (including senior executives) of the Group receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are

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(All amounts are in INR millions, except share data and unless stated otherwise)

treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## (o) 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.

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group business model for managing financial assets refers to how it manages its financial assets in order to

generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debts Instrument at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debts Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in

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the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debts Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

#### Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Group has transferred its rights to receive cash flows from the asset, and
  - i. the Group has transferred substantially all the risks and rewards of the asset, or
  - ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

#### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

#### Financial liabilities

##### 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, 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.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at fair value through profit or loss
- ii. Financial liability at amortised cost

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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.

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## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## Reclassification of financial instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 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.

## (p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as

defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## (q) Research and Development

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the period in which it is incurred. Property, plant and equipment purchased for research and development is added to property, plant and equipment and depreciated in accordance with the policies of the Group.

## (r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## (s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as chief operating decision maker.

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### 3 Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and machinery	Laboratory equipment	Research and Development Equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Tubewells	Total
<b>As at April 1, 2021</b>	<b>435.68</b>	<b>2,492.04</b>	<b>9,490.75</b>	<b>765.52</b>	<b>356.22</b>	<b>279.63</b>	<b>131.59</b>	<b>50.28</b>	<b>292.36</b>	<b>1.49</b>	<b>14,295.56</b>
Additions	191.39	710.83	4,903.85	289.08	341.88	40.48	14.87	0.40	65.65	0.09	6,558.52
Disposals	-	-	(48.39)	(1.08)	(5.93)	(17.95)	(3.85)	-	(4.87)	-	(82.07)
<b>As at March 31, 2022</b>	<b>627.07</b>	<b>3,202.87</b>	<b>14,346.21</b>	<b>1,053.52</b>	<b>692.17</b>	<b>302.16</b>	<b>142.61</b>	<b>50.68</b>	<b>353.14</b>	<b>1.58</b>	<b>20,772.01</b>
Additions	7.51	124.83	1,381.77	146.97	168.59	42.17	14.44	3.56	163.28	-	2,053.12
Disposals	-	-	(5.35)	(0.81)	(4.51)	(0.07)	(0.43)	(0.39)	(5.25)	-	(16.81)
<b>As at March 31, 2023</b>	<b>634.58</b>	<b>3,327.70</b>	<b>15,722.63</b>	<b>1,199.68</b>	<b>856.25</b>	<b>344.26</b>	<b>156.62</b>	<b>53.85</b>	<b>511.17</b>	<b>1.58</b>	<b>22,808.32</b>
<b>Depreciation</b>											
<b>As at April 1, 2021</b>	-	<b>520.30</b>	<b>3,360.09</b>	<b>312.32</b>	<b>200.90</b>	<b>131.28</b>	<b>56.76</b>	<b>16.62</b>	<b>160.94</b>	<b>1.49</b>	<b>4,760.70</b>
Charge for the year	-	94.69	768.07	88.64	39.38	27.09	19.12	6.45	53.25	-	1,096.69
Disposals	-	-	(43.08)	(0.97)	(5.79)	(17.78)	(3.81)	-	(4.87)	-	(76.30)
<b>As at March 31, 2022</b>	-	<b>614.99</b>	<b>4,085.08</b>	<b>399.99</b>	<b>234.49</b>	<b>140.59</b>	<b>72.07</b>	<b>23.07</b>	<b>209.32</b>	<b>1.49</b>	<b>5,781.09</b>
Charge for the year	-	119.44	1,043.36	108.45	62.24	29.06	22.15	6.04	66.06	0.02	1,456.82
Disposals	-	-	(3.44)	(0.66)	(4.51)	(0.04)	(0.35)	(0.39)	(5.21)	-	(14.60)
<b>As at March 31, 2023</b>	-	<b>734.43</b>	<b>5,125.00</b>	<b>507.78</b>	<b>292.22</b>	<b>169.61</b>	<b>93.87</b>	<b>28.72</b>	<b>270.17</b>	<b>1.51</b>	<b>7,223.31</b>
<b>Net carrying value</b>											
<b>As at March 31, 2022</b>	<b>627.07</b>	<b>2,587.88</b>	<b>10,261.13</b>	<b>653.53</b>	<b>457.68</b>	<b>161.57</b>	<b>70.54</b>	<b>27.61</b>	<b>143.82</b>	<b>0.09</b>	<b>14,990.92</b>
<b>As at March 31, 2023</b>	<b>634.58</b>	<b>2,593.27</b>	<b>10,597.63</b>	<b>691.90</b>	<b>564.03</b>	<b>174.65</b>	<b>62.75</b>	<b>25.13</b>	<b>241.00</b>	<b>0.07</b>	<b>15,585.01</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 4 Details of Capital work in progress (CWIP)

#### a) Movement in Capital work in progress

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening Balance	1,807.45	3,378.06
Additions during the year	2,017.83	4,987.91
Less: Capitalised during the year	(2,053.14)	(6,558.52)
<b>Closing balance</b>	<b>1,772.14</b>	<b>1,807.45</b>

#### b) Capital work in progress (CWIP) - Ageing Schedule

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,210.14	211.52	226.42	124.08	1,772.16
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,210.14</b>	<b>211.52</b>	<b>226.42</b>	<b>124.08</b>	<b>1,772.16</b>

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,292.30	374.66	140.49	-	1,807.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,292.30</b>	<b>374.66</b>	<b>140.49</b>	<b>-</b>	<b>1,807.45</b>

As at March 31, 2023 and March 31, 2022, there are no projects which have exceeded its cost as compared to its original plan.

Out of above, capital work-in-progress as at March 31, 2023, the following is the CWIP completion schedule whose completion is overdue:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
PMY-LYO	163.03	-	-	-	163.03
PMY-PFS	-	-	237.32	-	237.32
<b>Total</b>	<b>163.03</b>	<b>-</b>	<b>237.32</b>	<b>-</b>	<b>400.35</b>

As at March 31, 2022, there are no projects whose completion is overdue.

### 5 Right-of-use asset

Particulars	Total
<b>Right-of-use leasehold land</b>	
<b>Cost</b>	
<b>As at April 01, 2021</b>	<b>11.41</b>
<b>As at March 31, 2022</b>	<b>11.41</b>
<b>As at March 31, 2023</b>	<b>11.41</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 5 Right-of-use asset (Contd..)

Particulars	Total
<b>Accumulated depreciation</b>	
<b>As at April 01, 2021</b>	<b>3.95</b>
Charge for the year	1.80
<b>As at March 31, 2022</b>	<b>5.75</b>
Charge for the year	1.80
<b>As at March 31, 2023</b>	<b>7.55</b>
<b>Net carrying value (refer note 47)</b>	
<b>As at March 31, 2022</b>	<b>5.66</b>
<b>As at March 31, 2023</b>	<b>3.86</b>

### 6 Other Intangibles

Particulars	Total
<b>Other Intangibles</b>	
<b>Cost</b>	
<b>As at April 01, 2021</b>	<b>-</b>
Additions	29.82
Disposals	-
<b>As at March 31, 2022</b>	<b>29.82</b>
Additions	100.00
Disposals	-
<b>As at March 31, 2023</b>	<b>129.82</b>
<b>Accumulated amortisation</b>	
<b>As at April 01, 2021</b>	<b>-</b>
Charge for the year	4.47
Disposals	-
<b>As at March 31, 2022</b>	<b>4.47</b>
Charge for the year	8.74
Disposals	-
<b>As at March 31, 2023</b>	<b>13.21</b>
<b>Net carrying value</b>	
<b>As at March 31, 2022</b>	<b>25.35</b>
<b>As at March 31, 2023</b>	<b>116.61</b>

### 7 Intangible assets under development (IAUD)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening balance	100.00	-
Add: Additions during the year	-	100.00
Less: Capitalisation during the year	(100.00)	-
Less: Impairment during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>100.00</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 7 Intangible assets under development (IAUD) (Contd..)

#### IAUD - Ageing Schedule

As at March 31, 2022

Particulars	For a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	100.00	-	-	-	100.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>

IAUD completion schedule (As at March 31, 2022)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
SHMT-BS	-	-	100.00	-	100.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>

#### Financial assets

### 8 Investments (Unquoted)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
At Fair value through profit and loss account	-	-	-	-
Mutual funds	-	-	-	1,548.74
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,548.74</b>

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate value of unquoted investments	-	1,548.74
Aggregate amount of impairment in value of investments	-	-

### 9 Loans

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
<b>Other loans (Unsecured, considered good)</b>		
Loans to employees	1.39	4.67
<b>Total</b>	<b>1.39</b>	<b>4.67</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 10 Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>				
Deposits with financial institutions	-	2,000.00	-	-
Interest accrued, but not due on deposits with banks, financial institutions and others	-	-	655.21	466.18
<b>Total</b>	<b>-</b>	<b>2,000.00</b>	<b>655.21</b>	<b>466.18</b>

### 11 Trade receivables (Unsecured)

Particulars	As at March 31, 2023	As at March 31, 2022
	Receivables from related parties (refer note 40)	610.62
Trade receivables from other parties	8,103.32	10,385.19
<b>Total</b>	<b>8,713.94</b>	<b>10,748.05</b>

#### Trade receivables - Ageing Schedule

As at March 31, 2023

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	787.04	5,357.47	2,466.55	92.05	33.10	-	-	8,736.21
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired (refer note 54)	28.76	135.87	350.67	49.31	-	-	-	564.61
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>815.80</b>	<b>5,493.34</b>	<b>2,817.22</b>	<b>141.36</b>	<b>33.10</b>	<b>-</b>	<b>-</b>	<b>9,300.82</b>
Less: Allowance for credit loss	-	-	-	-	-	-	-	(586.88)
<b>Total Trade receivables</b>								<b>8,713.94</b>

As at March 31, 2022

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	819.35	8,374.28	1,491.20	84.73	0.76	-	-	10,770.32
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	29.79	-	-	-	29.79

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 11 Trade receivables (Unsecured)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>819.35</b>	<b>8,374.28</b>	<b>1,491.20</b>	<b>114.52</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>10,800.11</b>
Less: Allowance for credit loss								(52.06)
<b>Total Trade receivables</b>								<b>10,748.05</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 40.

Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

#### Breakup for security details

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured	8,713.94	10,748.05
Credit impaired	586.88	52.06
Less: Allowance for credit losses	(586.88)	(52.06)
	<b>8,713.94</b>	<b>10,748.05</b>

#### The details of changes in allowance for credit losses is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	52.06	14.21
Provision made/reversed during the year (net)	564.61	37.85
Trade receivables written off during the year	(29.79)	-
<b>Balance at the end of the year</b>	<b>586.88</b>	<b>52.06</b>

### 12 Tax assets

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>				
Advance income tax (net)	225.22	49.89	-	-
	<b>225.22</b>	<b>49.89</b>	<b>-</b>	<b>-</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 13 Other assets

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>				
Capital advance	629.61	464.94	-	-
Security deposits	100.50	78.43	0.67	5.57
Advances for material supplies and services*	-	-	328.87	435.21
Prepaid expenses	-	-	138.22	141.61
Contract asset	-	-	872.59	1,348.97
Export rebate claims receivable	-	-	28.22	45.72
Export incentives receivable	-	22.08	88.37	313.95
Balance with statutory/ government authorities	334.30	270.70	1,020.85	671.04
	<b>1,064.41</b>	<b>836.15</b>	<b>2,477.79</b>	<b>2,962.07</b>

\* Includes amounts given to related parties of ₹ Nil (March 31, 2022: ₹ 328.65) (refer note 40)

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

### 14 Inventories (valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components*	9,793.31	4,662.51
Packing materials**	3,746.61	1,774.24
Finished goods***	886.68	591.47
Work-in-progress	4,614.65	4,440.69
Stores and spares****	411.75	387.76
	<b>19,453.00</b>	<b>11,856.67</b>

\*Includes goods in transit of ₹ Nil (March 31, 2022: ₹ 54.43)

\*\*Includes goods in transit of ₹ 132.40 (March 31, 2022: ₹ 16.46)

\*\*\*Includes stock in trade of ₹ 64.36 (March 31, 2022: ₹ 129.31)

\*\*\*\*Includes goods in transit of ₹ 0.66 (March 31, 2022: ₹ Nil)

### 15 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.13	0.16
Balances with banks		
On current accounts <sup>(1)</sup>	5,461.82	2,528.04
Deposits with original maturity of less than three months <sup>(2)</sup>	13,627.00	660.00
	<b>19,088.95</b>	<b>3,188.20</b>

<sup>(1)</sup> Includes balance of Initial Public Offer (IPO) proceeds of ₹ Nil (March 31, 2022: ₹ 29.96) in Current Account with a Scheduled commercial bank (under Escrow arrangement) which will be utilised as stated in the prospectus.

<sup>(2)</sup> Includes balance of Initial Public Offer (IPO) proceeds of ₹ Nil (March 31, 2022: ₹ 210.00) in a Scheduled commercial bank, which will be utilised as stated in the prospectus.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 16 Bank balances other than cash and cash equivalents

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Other deposit accounts				
Remaining maturity of less than 12 months	-	-	18,539.35	27,720.19
Margin money deposits(1)				
Remaining maturity of less than 12 months	-	-	78.45	26.02
	-	-	<b>18,617.80</b>	<b>27,746.21</b>

(1) Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

### Breakup of financial assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Valued at amortised cost :</b>		
Deposits, Interest accrued on deposits and others	656.60	2,470.85
Trade receivables	8,713.94	10,748.05
Cash and cash equivalents	19,088.95	3,188.20
Bank balances other than cash and cash equivalents	18,617.80	27,746.21
<b>Valued at cost :</b>		
Investment in unquoted equity shares	-	-
<b>Valued at fair value through profit and loss account :</b>		
Investment in unquoted mutual funds	-	1,548.74
<b>Total financial assets</b>	<b>47,077.29</b>	<b>45,702.05</b>

### 17 Share capital

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised</b>		
500,000,000 (March 31, 2022: 500,000,000) equity shares of ₹ 1 each	500.00	500.00
0.001 % 5,100,000 (March 31, 2022: 5,100,000) compulsorily convertible non cumulative preference shares of ₹ 10 each	51.00	51.00
0.001 % 1,200,000 (March 31, 2022: 1,200,000) redeemable convertible non cumulative preference shares of ₹ 10 each	12.00	12.00
	<b>563.00</b>	<b>563.00</b>
<b>Equity share capital:</b>		
<b>Issued, subscribed and fully paid up shares</b>		
164,700,823 (March 31, 2022: 164,302,723) equity shares of ₹ 1 each	164.70	164.30
	<b>164.70</b>	<b>164.30</b>

#### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	164,302,723	164.30	163,592,923	163.59
Add: Shares issued on exercise of employee stock option (refer note 38)	398,100	0.40	709,800	0.71
	<b>164,700,823</b>	<b>164.70</b>	<b>164,302,723</b>	<b>164.30</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 17 Share capital (Contd..)

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Equity shares of ₹ 10 each (Before sub division)	-	-	-	-	-

#### (b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has not paid any dividend during the year ended March 31, 2023 and March 31, 2022.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Fosun Pharma Industrial Pte. Ltd., Singapore (holding company)	95,293,934	95.29	95,293,934	95.29
	<b>95,293,934</b>	<b>95.29</b>	<b>95,293,934</b>	<b>95.29</b>

#### (d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	57.86%	95,293,934	58.00%
Nicomac Machinery Pvt. Ltd.	1,956,452	1.19%	9,551,115	5.81%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

#### (e) No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

#### (f) Shares reserved for issue under options

During the year ended March 31, 2020, the Company has instituted "the Gland Pharma Employee Stock Option Scheme 2019" ('ESOP Scheme 2019') pursuant to approval of "the Gland Pharma Employee Stock Option Plan 2019" ('Plan'). The maximum number of shares that may be issued pursuant to the scheme shall not exceed 1,704,440 shares. Out of 1,704,440 shares, 1,549,500 shares were granted on June 27, 2019 (grant date) to the eligible employees. The aforementioned shares are after subdivision of equity shares.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 17 Share capital (Contd..)

#### (g) Details of shares held by promoters

##### As at March 31, 2023

Equity shares of ₹ 1 each fully paid :

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	-	95,293,934	57.86%	0.00%
<b>Total</b>	<b>95,293,934</b>	<b>-</b>	<b>95,293,934</b>	<b>57.86%</b>	<b>0.00%</b>

##### As at March 31, 2022

Equity shares of ₹ 1 each fully paid :

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	-	95,293,934	58.00%	0.00%
<b>Total</b>	<b>95,293,934</b>	<b>-</b>	<b>95,293,934</b>	<b>58.00%</b>	<b>0.00%</b>

### 18 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities premium</b>		
Balance at the beginning of the year	18,953.92	18,401.09
Add: Amount received towards Securities premium for stock option exercised	215.37	384.00
Add: Amount transferred from Share based payment reserve on account of exercise of stock options	114.94	168.83
<b>Balance at the end of the year</b>	<b>19,284.23</b>	<b>18,953.92</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	33.44	33.44
<b>Balance at the end of the year</b>	<b>33.44</b>	<b>33.44</b>
<b>General reserve</b>		
Balance at the beginning of the year	31.22	31.22
<b>Balance at the end of the year</b>	<b>31.22</b>	<b>31.22</b>
<b>Share based payment reserve</b>		
Balance at the beginning of the year	131.59	254.21
Add: Shares based compensation to employees for the year (refer note 38)	-	46.21
Less: Exercise of stock options	(114.94)	(168.83)
<b>Balance at the end of the year</b>	<b>16.65</b>	<b>131.59</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	52,343.45	40,226.81
Add: Profit for the year	7,810.43	12,116.64
<b>Balance at the end of the year</b>	<b>60,153.88</b>	<b>52,343.45</b>
<b>Share application money</b>		
Balance at the beginning of the year	0.81	-
Add: Money received for the year	214.96	385.52
Less: Allotment of Equity shares on exercise of stock options	(215.77)	(384.71)
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.81</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 18 Other equity (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other comprehensive income</b>		
Items recognised directly in Other comprehensive income		
Balance at the beginning of the year	(82.52)	(77.94)
Re-measurement loss on employee defined benefit plans (net of tax)	(22.52)	(3.85)
Exchange differences on translation of net investment in foreign operations	8.14	(0.73)
Balance at the end of the year	(96.90)	(82.52)
	<b>79,422.52</b>	<b>71,411.91</b>

#### Nature and purpose of reserves

##### Securities premium

Securities premium is used to record the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

##### Capital redemption reserve

Capital redemption reserve represents the amount of profits transferred from general reserve for the purpose of redemption of preference shares or for the buy back of shares.

##### General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

##### Share based payment reserve

Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees as a part of their remuneration.

##### Retained earnings

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

##### Share application money

Money received as advance towards allotment of share capital is recorded as share application money pending allotment.

### 19 Borrowings

Particulars	Non-Current		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>From others (Unsecured)</b>				
Deferred sales tax loan (refer note below)	32.61	38.21	5.60	1.12
	<b>32.61</b>	<b>38.21</b>	<b>5.60</b>	<b>1.12</b>

Deferred sales tax is interest free and payable in 14 yearly unequal installments starting from October 2012, as per the sales tax deferment scheme. The last installment is payable in 2026-27.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 20 Trade payables

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Valued at amortised cost</b>		
Trade payables to third parties		
Due to micro, small and medium enterprises (refer note 39)	78.34	62.99
Other parties	5,767.83	4,543.57
Trade payables to related parties (refer note 40)	27.33	21.94
	<b>5,873.50</b>	<b>4,628.50</b>

#### Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

#### Trade payables - Ageing Schedule

##### As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro, small and medium enterprises	78.34	-	-	-	-	78.34
Total outstanding dues of creditors other than micro, small and medium enterprises	2,869.54	2,897.64	17.82	8.59	1.57	5,795.16
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
<b>Total</b>	<b>2,947.88</b>	<b>2,897.64</b>	<b>17.82</b>	<b>8.59</b>	<b>1.57</b>	<b>5,873.50</b>

##### As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro, small and medium enterprises	62.99	-	-	-	-	62.99
Total outstanding dues of creditors other than micro, small and medium enterprises	2,472.44	2,074.75	16.75	-	1.57	4,565.51
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
<b>Total</b>	<b>2,535.43</b>	<b>2,074.75</b>	<b>16.75</b>	<b>-</b>	<b>1.57</b>	<b>4,628.50</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 21 Lease liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Valued at amortised cost</b>				
Lease liabilities (refer note 47)	4.83	6.61	1.49	1.49
	<b>4.83</b>	<b>6.61</b>	<b>1.49</b>	<b>1.49</b>

### 22 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Valued at amortised cost</b>				
Capital creditors*	-	-	154.93	200.18
Trade deposits payable	-	-	8.12	8.87
Refund liability	17.33	17.33	-	-
	<b>17.33</b>	<b>17.33</b>	<b>163.05</b>	<b>209.05</b>

\*Includes amount payable to micro, small and medium enterprises of ₹ 56.27 (March 31, 2022: ₹ 27.49) (refer note 39)

#### Breakup of financial liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Valued at amortised cost</b>		
Non current borrowings	32.61	38.21
Trade payables	5,873.50	4,628.50
Current maturities of non-current borrowings	5.60	1.12
Capital creditors	154.93	200.18
Trade deposits payable	8.12	8.87
Refund liability	17.33	17.33
Lease liabilities - Non Current	4.83	6.61
Lease liabilities - Current	1.49	1.49
<b>Total financial liabilities carried at amortised cost</b>	<b>6,098.41</b>	<b>4,902.31</b>

#### Changes in liabilities arising from financing activities for the year ended March 31, 2023:

Particulars	As at	Interest	Financing cash flows	As at
	April 01, 2022			March 31, 2023
Non-current borrowings (including current maturities)	39.33	-	(1.12)	38.21
Lease liabilities	8.10	0.61	(2.39)	6.32
Total liabilities from financing activities	47.43	0.61	(3.51)	44.53

#### Changes in liabilities arising from financing activities for the year ended March 31, 2023:

Particulars	As at	Interest	Financing cash flows	As at
	April 01, 2021			March 31, 2022
Non-current borrowings (including current maturities)	40.69	-	(1.36)	39.33
Lease liabilities	9.26	0.76	(1.92)	8.10
<b>Total liabilities from financing activities</b>	<b>49.95</b>	<b>0.76</b>	<b>(3.28)</b>	<b>47.43</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 23 Deferred tax liability

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability relating to Property, plant and equipment and intangible assets	1,069.17	954.14
	<b>1,069.17</b>	<b>954.14</b>
Deferred tax asset relating to Provision for employee benefits	78.82	62.83
Allowance for credit losses	147.70	13.10
Leases	0.62	0.61
	<b>227.14</b>	<b>76.54</b>
	<b>842.03</b>	<b>877.60</b>

#### Deferred tax assets/ (liabilities):

##### For the year ended March 31, 2023:

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other compre- hensive income	Closing balance
Property, plant and equipment and intangible assets	954.14	115.03	-	1,069.17
Provision for employee benefits	(62.83)	(8.41)	(7.58)	(78.82)
Allowance for credit losses	(13.10)	(134.60)	-	(147.70)
Leases	(0.61)	(0.01)	-	(0.62)
<b>Deferred tax liability (net)</b>	<b>877.60</b>	<b>(27.99)</b>	<b>(7.58)</b>	<b>842.03</b>

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other compre- hensive income	Closing balance
Property, plant and equipment and intangible assets	799.01	155.13	-	954.14
Provision for employee benefits	(56.17)	(5.37)	(1.29)	(62.83)
Allowance for credit losses	(3.58)	(9.52)	-	(13.10)
Leases	(0.45)	(0.16)	-	(0.61)
<b>Deferred tax liability (net)</b>	<b>738.81</b>	<b>140.08</b>	<b>(1.29)</b>	<b>877.60</b>

### 24 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 37)	154.52	111.66
Provision for compensatory absences	158.66	136.07
	<b>313.18</b>	<b>247.73</b>

### 25 Current Tax Liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax (net of advance tax and tax deducted at source)	9.85	179.79
	<b>9.85</b>	<b>179.79</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 26 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	128.46	172.83
Advances from customers*	760.42	339.16
Liability towards Corporate Social Responsibility	35.78	40.58
	<b>924.66</b>	<b>552.57</b>

\* Includes amounts received from related parties of ₹ 9.56 (March 31, 2022: ₹ 7.49) (refer note 40)

### 27 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Revenue from contract with customers</b>		
- Revenue from sale of goods	32,724.18	39,699.88
- Revenue from sale of services	3,194.41	4,141.57
<b>(A)</b>	<b>35,918.59</b>	<b>43,841.45</b>
<b>B. Other operating income</b>		
- Export incentives	162.12	165.63
- Compensation and Claims*	165.30	-
<b>(B)</b>	<b>327.42</b>	<b>165.63</b>
<b>(A+B)</b>	<b>36,246.01</b>	<b>44,007.08</b>

\*Includes other operating income amounting to ₹ 165.30 (PY - ₹ Nil) related to settlement for a product pursuant to a confidential settlement agreement.

### 27A Revenue from contract with customers:

#### (i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers, excluding other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USA	20,909.52	23,327.14
India	5,386.22	8,635.12
Europe	1,705.95	2,398.04
Canada	794.90	829.19
Australia	218.24	170.87
New Zealand	10.86	-
Rest of World (ROW)	6,892.90	8,481.09
	<b>35,918.59</b>	<b>43,841.45</b>
<b>Timing of revenue recognition</b>		
Services transferred over time	3,194.41	4,141.57
Goods transferred at a point of time	32,724.18	39,699.88
<b>Total</b>	<b>35,918.59</b>	<b>43,841.45</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 27A Revenue from contract with customers: (Contd..)

#### (ii) Contract balances

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	8,713.94	10,748.05
Contract assets (Unbilled revenue)	872.59	1,348.97
Contract liabilities	760.42	339.16

Contract liabilities represents the Company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Particulars	As at March 31, 2023	As at March 31, 2022
Refund liabilities	17.33	17.33
	<b>17.33</b>	<b>17.33</b>

Refund liability is accounted when the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. In development agreements where the Company's consideration is contingent on obtaining US FDA approvals within a specific time period, the consideration is refundable if the approvals fails, irrespective of whether the Company is at default or not.

#### (a) Significant change in contract liabilities is explained as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	339.17	342.47
Revenue recognised during the year	(339.17)	(311.83)
Contract liabilities recognised during the year	760.42	308.53
<b>Balance at the end of the year</b>	<b>760.42</b>	<b>339.17</b>
Expected revenue recognition from remaining performance obligations		
- within one year	760.42	339.17

#### (b) Significant change in refund liabilities is explained as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	17.33	17.33
Amount utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>17.33</b>	<b>17.33</b>

### 28 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on		
- Fixed deposits	1,791.17	1,383.93
- Others	3.00	2.52
Foreign exchange gain (net)	571.45	792.05
Insurance claim	-	0.44

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 28 Other income (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit on disposal of financial assets - mutual funds	28.48	29.63
Gain on fair valuation of financial assets - mutual funds	-	15.26
Miscellaneous income	10.53	15.55
	<b>2,404.63</b>	<b>2,239.38</b>

### 29 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials and packing materials		
Inventory at the beginning of the year	6,436.75	7,022.00
Add: Purchases	24,270.68	19,883.37
	<b>30,707.43</b>	<b>26,905.37</b>
Less: Inventory at the end of the year	(13,539.92)	(6,436.75)
<b>Cost of materials consumed</b>	<b>17,167.51</b>	<b>20,468.62</b>

### 30 Changes in inventories of finished goods (including stock-in-trade) and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the end of the year</b>		
Finished goods	886.68	591.47
Work in progress	4,614.65	4,440.69
	<b>5,501.33</b>	<b>5,032.16</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	591.47	1,759.29
Work in progress	4,440.69	3,639.77
	<b>5,032.16</b>	<b>5,399.06</b>
	<b>(469.17)</b>	<b>366.90</b>

### 31 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3,625.10	2,999.48
Contribution to provident and other fund	160.30	131.35
Gratuity expense (refer note 37)	66.98	60.47
Staff welfare expenses	180.23	148.15
Employee stock option compensation expenses (refer note 38)	-	46.21
	<b>4,032.61</b>	<b>3,385.66</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 32 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores Consumed	478.92	412.49
Rent (refer note 47)	14.16	11.18
Repairs and maintenance:		
- Plant and machinery	312.05	259.66
- Buildings	140.80	150.26
- Other	39.13	41.54
Rates and taxes	635.73	578.69
Quality control expenses	567.59	507.97
Research and development consumables	403.77	426.56
Legal and professional charges	364.46	189.99
Carriage outwards	197.07	350.80
Insurance	107.68	98.83
Printing and stationery	31.52	32.94
Travelling and conveyance	38.52	18.40
Selling and business promotion expenses	45.63	20.23
Sales commission	27.62	38.78
Payment to auditors:		
Audit fees	12.40	11.30
Certifications fees and others	0.08	1.40
Out of pocket expenses	0.70	0.08
Allowance for credit losses	-	37.85
Bad debts written off	22.04	3.42
Other Assets written off	63.32	-
Loss on disposal of property, plant and equipment (net)	0.81	1.78
Miscellaneous expenses	97.26	83.36
Corporate social responsibility(CSR) expenditure (refer note 32A)	261.87	199.68
	<b>3,863.13</b>	<b>3,477.19</b>

### 32A Details of CSR expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the company during the year	261.87	199.68
b) Amount approved by the Board to be spent during the year	261.87	199.68
c) Amount spent(in cash) during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	226.09	176.93
d) Details related to spent / unspent obligations :		
i) Spent amount in relation to :		
- Ongoing project	130.92	4.60
- Other than ongoing project	95.17	172.33
ii) Unspent amount in relation to :		
- Ongoing project	35.78	22.75
- Other than ongoing project	-	-

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 32A Details of CSR expenditure (Contd..)

Details of ongoing project and other than ongoing project for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Ongoing Projects :</b>		
Opening Balance :		
With Company	22.75	43.76
In Separate CSR Unspent A/C	18.34	-
Amount required to be spent during the year :	166.70	27.35
<b>Amount spent during the year :</b>		
From Company's bank a/c	130.92	4.60
From Separate CSR Unspent A/C	41.09	25.92
<b>Closing Balance :</b>		
With Company*	35.78	22.75
In Separate CSR Unspent A/C	-	18.34
* Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 ("the Rules"), the Company has transferred the Unspent amount of ₹ 35.78 to a separate bank account subsequent to the balance sheet date.		
<b>b) Other than ongoing projects :</b>		
Opening Balance	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	95.17	172.33
Amount spent during the year	95.17	172.33
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

### 33 Finance expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on others	62.26	33.26
Finance charges on leases (refer note 47)	0.61	0.76
Bank charges	11.60	18.40
	<b>74.47</b>	<b>52.42</b>

### 34 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,456.82	1,096.69
Depreciation on right-of-use assets (refer note 47)	1.80	1.80
Amortisation on Intangible assets	8.74	4.47
	<b>1,467.36</b>	<b>1,102.96</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 35 Taxes

#### (a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are :

##### (i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	2,771.57	3,958.83
Deferred tax credit	(27.99)	140.08
Adjustment of current income tax relating to earlier years	(8.19)	(30.03)
<b>Total income tax expense recognised in Statement of profit and loss</b>	<b>2,735.39</b>	<b>4,068.88</b>

##### (ii) OCI Section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax credit on remeasurement of defined benefit plans	(7.58)	(1.29)
<b>Income tax charged to OCI</b>	<b>(7.58)</b>	<b>(1.29)</b>

#### (b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax (A)	10,545.82	16,185.52
Enacted tax rate in India (B)	25.168%	25.168%
Expected tax expenses (C = A*B)	2,654.17	4,073.57
<b>Tax effect of:</b>		
Expenses disallowed under the Income Tax Act, 1961	97.21	50.90
Adjustment for taxes with respect to earlier years	(8.19)	(30.03)
Income not taxable under the Income Tax Act, 1961	-	(28.66)
Others(net)	(7.80)	3.10
<b>Total (D)</b>	<b>81.22</b>	<b>(4.69)</b>
Expected tax expense (C+D)	2,735.39	4,068.88
Income tax expense	2,735.39	4,068.88
Effective tax rate	25.94%	25.14%

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied.

### 36 Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Profit for the year attributable to equity shareholders (₹)	7,810.43	12,116.64
ii) Weighted average number of equity shares in calculating basic EPS	164,636,953	164,153,034
iii) Dilutive effect of stock options outstanding	42,784	384,749
iv) Weighted average number of equity shares in calculating diluted EPS	164,679,737	164,537,783
v) Face value of each equity share (₹)	1.00	1.00
vi) Basic earnings per share (₹)	47.44	73.81
vii) Diluted earnings per share (₹)	47.43	73.64

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 37 Employee benefit plans

#### I Defined benefit plan

The Company has a defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with Life Insurance Corporation (LIC). Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

##### A) Net employee benefit expense (recognised in Employee benefits expense)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	60.11	54.03
Interest cost on net defined benefit liability	6.87	6.44
<b>Net employee benefit expenses</b>	<b>66.98</b>	<b>60.47</b>

##### B) Amount recognised in the Balance Sheet

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation	538.46	437.29
Fair value of plan assets	(383.94)	(325.63)
<b>Net defined benefit liability</b>	<b>154.52</b>	<b>111.66</b>

##### C) Changes in the present value of the defined benefit obligation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	437.29	376.88
Current service cost	60.11	54.03
Interest cost	26.86	21.64
Benefits paid	(20.26)	(12.84)
Net Actuarial losses/(gain) on obligation for the year recognised under OCI	34.46	(2.42)
<b>Closing defined benefit obligation</b>	<b>538.46</b>	<b>437.29</b>

##### D) Change in the fair value of plan assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	325.63	264.79
Return on plan assets	20.00	15.21
Contributions	54.21	66.03
Benefits paid	(20.26)	(12.84)
Net Actuarial gain/(losses) on plan assets for the year recognised under OCI	4.36	(7.56)
<b>Closing fair value of plan assets</b>	<b>383.94</b>	<b>325.63</b>

The Company expects to contribute ₹ 215.67 to the gratuity fund in the next year (March 31, 2022: ₹ 163.24)

The average duration of the defined benefit obligation at the end of reporting period is 5 years (March 31, 2022 : 5 years)

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 37 Employee benefit plans (Contd..)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investments with LIC	100%	100%

#### E) Re-measurement adjustments:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Experience loss on plan liabilities	14.14	11.06
Experience (gain)/loss on plan assets	(4.36)	7.56
Financial loss/(gain) on plan liabilities	20.32	(9.36)
Demographic gain on plan liabilities	-	(4.12)
<b>Re measurement loss recognised in other comprehensive income:</b>	<b>30.10</b>	<b>5.14</b>

#### (i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.30%	6.15%
Salary rise	12.00%	10.00%
Attrition rate	19.00%	19.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

#### (ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1 year	104.51	85.66
2-5 years	315.96	234.02
6-10 years	215.02	175.72
>10 years	196.25	126.74

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 37 Employee benefit plans (Contd..)

#### (iii) Sensitivity analysis:

A quantitative sensitivity analysis of significant assumptions is as shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	512.57	416.33
- 1% decrease	566.43	459.83
(b) Effect of 1% change in assumed salary growth rate		
- 1% increase	564.94	458.79
- 1% decrease	513.38	416.85
(c) Effect of 50% change in assumed attrition rate		
- 50% increase	499.26	410.13
- 50% decrease	629.38	498.21

The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

#### II Defined contribution plan

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident fund	160.30	131.35

#### III Compensated absences

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total charge to statement of profit and loss is amounting to ₹ 41.75 and ₹ 7.85 for the year ended March 31, 2023 and March 31, 2022 respectively.

#### 38 Share-based payments

The Company instituted the Gland Pharma Employee Stock Option Scheme 2019 ('ESOP Scheme 2019') pursuant to approval of the Gland Pharma Employee Stock Option Plan 2019 ('Plan'). ESOP Scheme 2019 has been approved by special resolution on May 24, 2019 by the shareholders at the General meeting of the Company. The scheme is to grant options to eligible employees. The Compensation Committee of the Board, based on satisfaction of prescribed criteria like number of years of service of the employee, industry experience of the employee, grade or level of the employee etc.; identifies the employees eligible for the scheme. The maximum number of shares that may be issued pursuant to exercise of options granted to the participants under ESOP plan and the relevant notified scheme(s) shall not exceed 1,704,440 shares (after subdivision of equity shares). Out of 1,704,440 shares, the committee granted 1,549,500 shares on June 27, 2019 (grant date) to eligible employees.

The method of settlement under scheme is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying equity share of ₹ 1/- each (after subdivision of equity shares). The said options shall vest as 40%, 30% and 30% over the variable period subject to satisfaction of Employee performance conditions specified in the Grant Letter.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 38 Share-based payments (Contd..)

The details of ESOP Scheme are summarised below (after subdivision of equity shares):

Grant	Grant date	Number of options granted	Exercise price	Weighted average fair value of option at grant date
1st Grant	June 27, 2019	1,549,500	542.00	248.46

#### Movements during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No. of shares	Weighted average exercise prices (WAEP)	No. of Shares	Weighted average exercise prices (WAEP)
Outstanding as at beginning of year	455,500	-	1,170,400	-
Granted during the year	-	-	-	-
Exercised during the year	(398,100)	542	(709,800)	542
Lapsed during the year	-	-	(5,100)	-
Outstanding as at end of the year	57,400	-	455,500	-
Weighted average remaining contractual life for the stock option outstanding as at reporting date (years)	Nil	-	Nil	-
Exercise price for options outstanding at the end of the year(₹)	542.00	-	542.00	-
Weighted average fair value of stock options granted during the year(₹)	288.73	-	237.86	-

The Black Scholes valuation model has been used for computing the fair value of options on the grant date considering the following inputs :

Particulars	
Time to maturity (years)	1.2 and 3
Fair value price	677.50
Exercise price*	542.00
Option life (years)	3.00
Expected volatility (%)	30%
Risk-free interest rate (%)	7.35%
Expected dividends (%)	0%
Expected term based on vesting period (weighted average term of vesting period in years) **	1.5, 2.5 and 3.5

\*As per ESOP Scheme 2019, the exercise price shall be at 20% discount to the market price, as determined at the time of grant.

\*\* As per Employee Stock Option Scheme, the vested options can be exercised within prescribed tenure and so for the purpose of expected term it is assumed that exercise will happen at middle of exercise period.

#### Share-based payment expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee stock option compensation expenses	-	46.21
<b>Total expense arising from share-based payment</b>	<b>-</b>	<b>46.21</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 39 Trade Payables and Capital creditors (Details of dues to Micro, Small and Medium Enterprises as per MSMED Act,2006):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period.	134.61	90.48
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

### 40 Related party disclosures

#### Names of related parties and description of relationship

Name of the related party	Relationship
Shanghai Fosun Pharmaceutical (Group) Co., Ltd., China	Ultimate Holding Company
Fosun Pharma Industrial Pte. Ltd., Singapore	Holding Company of Gland Pharma Limited
<b>Subsidiary</b>	
Gland Pharma International Pte. Ltd., Singapore (incorporated on March 10, 2021)	
<b>Step-down subsidiary</b>	
Gland Pharma USA Inc., USA (incorporated on March 7, 2022)	
<b>Fellow subsidiaries#</b>	
Avanc Pharma Distribution Co., Ltd., China (Formerly known as Ahon Pharma Distribution Co., Ltd.)	
Avanc Pharmaceutical Co., Ltd., China (Formerly known as Ahon Pharmaceutical Co., Ltd.)	
Breas Medical AB, Sweden	
Chongqing Carelife Pharmaceutical Co., Ltd., China	
Fosun Diagnostics (Shanghai) Co. Ltd., China (Formerly known as Shanghai Fosun Long March Medical Science Co., Ltd.)	
Fosun Pharma USA Inc., USA	
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., China	
Suzhou Erye Pharmaceutical Co. Ltd., China	
Tridem Pharma SAS, France	
Wanbang Biopharmaceutical Company Limited, China (Formerly known as Jiangsu Wanbang Biopharmaceutical Company Limited)	
Jiangsu Wanbang Helios International Trade Co. Ltd., China	

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 40 Related party disclosures (Contd..)

Name of the related party	Relationship
<b>Key Management Personnel<sup>#</sup></b>	
Srinivas Sadu	Managing Director and Chief Executive Officer
Ravi Shekhar Mitra	Chief Financial Officer
Satyanarayana Murthy Chavali	Independent Director
Yiu Kwan Stanley Lau	Chairman and Independent Director
P. Sampath Kumar	Company Secretary
Udo J. Vetter	Non-Executive Director (upto July 21, 2021)
	Independent Director (w.e.f. July 21, 2021)
Essaji Goolam Vahanvati	Independent Director
Nainalal Kidwai	Independent Director (w.e.f. May 17, 2021)

#Parties with whom transactions are entered

#### Transactions during the year:

Particulars	Nature	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Ultimate Holding Company</b>			
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Purchase of Services	50.53	-
<b>Fellow subsidiaries</b>			
Avanc Pharma Distribution Co., Ltd.	Sale of service	-	7.17
Avanc Pharmaceutical Co., Ltd.	Sale of service	-	0.72
Breas Medical AB	Purchase of goods	-	40.96
Chongqing Carelife Pharmaceutical Co., Ltd.	Purchase of raw material	-	74.23
Fosun Diagnostics (Shanghai) Co. Ltd.	Purchase returns	-	12.74
Fosun Pharma USA Inc.	Sale of goods	2,091.49	1,261.65
Fosun Pharma USA Inc.	Sale of service	161.45	47.00
Fosun Pharma USA Inc.	Reimbursement of expense	81.03	54.08
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	Reimbursement of expense	-	0.88
Suzhou Erye Pharmaceutical Co. Ltd.	Purchase of raw material	93.42	-
Tridem Pharma SAS	Sale of goods	36.05	372.10
Wanbang Biopharmaceutical Company Limited	Purchase of raw material	1,498.26	1,097.59
Jiangsu Wanbang Helios International Trade Co. Ltd.	Sale of goods	16.66	-
<b>Key Management Personnel<sup>^</sup></b>			
Managing Director & CEO, Chief Financial Officer and Company Secretary	Remuneration, Salaries and other employee benefits	95.22	143.84
Non-executive / independent directors	Commission and other benefits	26.24	24.17

#### Closing balances receivable/(payable) (Unsecured):

Particulars	As at March 31, 2023	As at March 31, 2022
Fosun Pharma USA Inc.	674.66	353.89
Fosun Pharma USA Inc.	(9.56)	(7.49)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	(4.53)	-
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	-	0.50
Tridem Pharma SAS	5.18	10.15

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 40 Related party disclosures (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Wanbang Biopharmaceutical Company Limited	-	328.65
Jaingsu Wanbang Helios International Trade Co. Ltd.	(0.03)	-
Payable to Key Management Personnel	(22.81)	(21.94)

<sup>^</sup> As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

@Includes employee stock option compensation expenses amounting to ₹ Nil (March 31, 2022 : ₹ 8.02)

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

### 41 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 37.

#### (ii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 41 Significant accounting judgements, estimates and assumptions (Contd..)

#### (iii) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### (iv) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### (v) Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

#### (vi) Share based payment

The Group measures the cost of equity-settled transactions with employees using Black Scholes model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 38.

#### (vii) Estimate of Profit share

The Group determines the profit share basis the customer's confirmation of units sold and net sales or net profit computations for the products covered under the arrangement, subject to any reduction/adjustment as required by the terms of the arrangement. The Group applies judgement in evaluating whether the profit share component recognised is only to the extent that it is highly probable that a significant reversal will not occur.

### 42 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	Carrying value		Fair value	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets at amortised cost:</b>				
Deposits, Interest accrued on deposits and others	656.60	2,470.85	656.60	2,470.85
Trade receivables	8,713.94	10,748.05	8,713.94	10,748.05
Cash and cash equivalents	19,088.95	3,188.20	19,088.95	3,188.20
Bank balances other than 'Cash and cash equivalents'	18,617.80	27,746.21	18,617.80	27,746.21

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 42 Fair Values (Contd..)

Particulars	Carrying value		Fair value	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets at cost:</b>				
Investment in unquoted equity shares	-	-	-	-
<b>Financial assets at Fair value through profit and loss account:</b>				
Investment in unquoted mutual funds	-	1,548.74	-	1,548.74
<b>Financial liabilities at amortised cost:</b>				
Borrowings (including current maturities)	38.21	39.33	38.21	39.33
Trade payables	5,873.50	4,628.50	5,873.50	4,628.50
Lease liabilities and Other financial liabilities	186.70	234.48	186.70	234.48

The management assessed that cash and cash equivalents, bank balances, trade receivables, loans, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 43 Financial risk management objectives and policies

#### Financial Risk Management Framework

The Group is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

#### A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

#### Trade receivables:

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables. The Group's receivables turnover is quick and historically, there were no significant defaults on account of any customer in the past. Ind AS requires an entity to recognise in statement of profit and loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

#### Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 8,713.94 and ₹ 10,748.05 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 43 Financial risk management objectives and policies (Contd..)

#### B Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
<b>March 31, 2023:</b>					
Borrowings (including current maturities)	5.60	21.59	11.02	-	38.21
Trade payables	5,873.50	-	-	-	5,873.50
Lease liabilities and Other financial liabilities	183.09	3.74	-	-	186.83
	<b>6,062.19</b>	<b>25.33</b>	<b>11.02</b>	<b>-</b>	<b>6,098.54</b>
<b>March 31, 2022:</b>					
Borrowings (including current maturities)	1.12	12.70	25.51	-	39.33
Trade payables	4,628.50	-	-	-	4,628.50
Lease liabilities and Other financial liabilities	228.77	5.70	0.75	-	235.22
	<b>4,858.39</b>	<b>18.40</b>	<b>26.26</b>	<b>-</b>	<b>4,903.05</b>

#### Maturity analysis of lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	2.71	2.39
After one year but not more than three years	3.74	5.70
After three years but not more than five years	-	0.75
More than five years	-	-
	<b>6.45</b>	<b>8.84</b>

#### C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

##### C1. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 43 Financial risk management objectives and policies (Contd..)

#### (a) Details of foreign currency risk from non-derivative financial instruments:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

Particulars	Currency	As at March 31, 2023			As at March 31, 2022		
		Amount in Foreign Currency	Amount in ₹	Conversion Rate	Amount in Foreign Currency	Amount in ₹	Conversion Rate
Cash and cash equivalent	USD	64.02	5,261.34	82.18	28.21	2,123.94	75.30
	EURO	0.42	37.57	89.47	2.47	206.94	83.79
Trade receivables	USD	80.78		82.18	99.47		75.30
			6,638.82			7,490.34	
	EURO	0.23	20.53	89.47	2.72	227.81	83.79
	AUD	0.36	19.69	55.03	-	-	-
	CAD	0.74	44.85	60.67	0.84	50.50	59.99
	AED	4.81	107.71	22.37	-	-	-
Trade payables	USD	38.63	3,175.01	82.18	33.11	2,520.08	76.10
	EURO	2.87	256.47	89.47	0.51	43.55	85.11
	GBP	0.00	0.10	101.64	0.00	0.45	100.17
	NOK	-	-	-	0.11	0.93	8.64
Capital creditors	USD	0.43	35.46	82.18	1.37	104.27	76.11
	EURO	0.35	31.08	89.47	0.33	27.81	85.11

#### (b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase/(Decrease)	
<b>March 31, 2023</b>				
USD	1.00%	1.00%	86.89	(86.89)
EURO	1.00%	1.00%	(2.29)	2.29
<b>March 31, 2022</b>				
USD	1.00%	1.00%	69.90	(69.90)
EURO	1.00%	1.00%	3.63	(3.63)

### 44 Fair value Hierarchy

There are no Investments at Fair value through profit and loss account as at March 31, 2023.

The following table provides the Quantitative disclosures fair value measurement hierarchy of the Company's assets and liabilities measured at fair value as at March 31, 2022:

Particulars	As at March 31, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets</b>				
<b>Investments at fair value through profit and loss account</b>				
Unquoted mutual funds (refer note 8)	1,548.74	1,548.74	-	-

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 45 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Group determines the capital requirement based on annual operating plans, long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Group is not subject to any externally imposed capital requirements as it does not have any interest-bearing loans in the current period.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

### 46 Commitments and contingencies

#### a. Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,063.86	1,117.62

#### b. Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Outstanding bank guarantees (excluding performance obligations)	98.21	17.86
(ii) Claims against the Company not acknowledged as debts	31.78	31.78
(iii) Demand for direct taxes	17.25	17.25
(iv) Demand for indirect taxes		
Entry tax	46.95	46.95
Service tax	8.50	8.50
Value Added Tax and CST	5.30	5.30
GST	12.75	-

(v) Provident Fund  
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. As a matter of caution, the Company has accordingly made the payments prospectively w.e.f. the order date. The Company will update its position, on receiving further clarity on the subject.

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. The Group is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations. The Group's business involves Governmental and/or regulatory inspections, inquiries and commercial matters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Group. The management does not expect the same to have a materially adverse effect on its financial position, as it believes the likelihood of any loss is not probable.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 47 Leases

#### Company as a Lessee

The Group has lease contracts for factory land and office premises. Lease contract for factory land is having a lease term of 15 years. The leases for office premises are having a term of 12 months or less and hence the Group has applied the short term exemption towards it.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Amount
<b>As at April 01, 2021</b>	<b>7.46</b>
Depreciation expense	(1.80)
<b>As at March 31, 2022</b>	<b>5.66</b>
Depreciation expense	(1.80)
<b>As at March 31, 2023</b>	<b>3.86</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Amount
<b>As at April 01, 2021</b>	<b>9.26</b>
Accretion of interest	0.76
Payment	(1.92)
<b>As at March 31, 2022</b>	<b>8.10</b>
Accretion of interest	0.61
Payment	(2.39)
<b>As at March 31, 2023</b>	<b>6.32</b>

For Maturity analysis of lease liabilities refer note 43B

#### The following are the amounts recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets	1.80	1.80
Interest expense on lease liabilities	0.61	0.76
Expense relating to short-term leases (included in other expenses)	14.16	11.18
<b>Total amount recognised in statement of profit and loss</b>	<b>16.57</b>	<b>13.74</b>

The Group has total cash outflow for leases of ₹ 2.39 Mn and ₹ 1.92 Mn for the year ended March 31, 2023 and March 31, 2022 respectively.

### 48 Segment reporting

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organisation and management structure as well as the differential risk and returns of each of the segments.

Based on the Group's business model of vertical integration, pharmaceuticals have been considered as a single business segment for the purpose of making decisions on allocation of resources and assessing its performance. Hence, no separate financial disclosures are provided in respect of its single business segment.

The geographic information analyses the Group's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 48 Segment reporting (Contd..)

#### (a) Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USA	20,909.52	23,327.14
India	5,548.34	8,800.75
Europe	1,871.25	2,398.04
Canada	794.90	829.19
Australia	218.24	170.87
New Zealand	10.86	-
Rest of World(ROW)	6,892.90	8,481.09
<b>Total</b>	<b>36,246.01</b>	<b>44,007.08</b>

(b) The Group has entire non current assets with in India. Hence, separate figures have not been furnished.

#### (c) Customer contributing more than 10% of Revenue

Particulars	No of customers	Amount
For the year ended March 31, 2023	1	5,480.12
For the year ended March 31, 2022	1	6,546.24

49 The Company has completed the Initial Public Offer ("IPO") of 43,196,968 Equity Shares of the face value of ₹ 1/- each at an issue price of ₹ 1,500/- per Equity Share, comprising offer for sale of 34,863,635 shares by Selling Shareholders and fresh issue of 8,333,333 shares. The Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on November 20, 2020.

The utilisation of the net IPO proceeds as at March 31, 2023 is summarised below:

Objects of the issue	Amount as per prospectus	Revised Amount	Utilisation upto 31-Mar-23	Unutilised amounts as at 31-Mar-23
Funding incremental working capital requirement	7,695.00	7,695.00	7,695.00	-
Funding capital expenditure requirement	1,680.00	1,680.00	1,680.00	-
General corporate purpose	2,864.68	2,875.00	2,875.00	-
<b>Total</b>	<b>12,239.68</b>	<b>12,250.00</b>	<b>12,250.00</b>	<b>-</b>

The utilisation of the net IPO proceeds as at March 31, 2022 is summarised below:

Objects of the issue	Amount as per prospectus	Revised Amount	Utilisation upto 31-Mar-22	Unutilised amounts as at 31-Mar-22
Funding incremental working capital requirement	7,695.00	7,695.00	7,695.00	-
Funding capital expenditure requirement	1,680.00	1,680.00	1,440.04	239.96
General corporate purpose	2,864.68	2,875.00	2,875.00	-
<b>Total</b>	<b>12,239.68</b>	<b>12,250.00</b>	<b>12,010.04</b>	<b>239.96</b>

IPO proceeds which were unutilised as at March 31, 2022 were temporarily invested in deposits with scheduled commercial bank and in monitoring agency account.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 50 Research and development

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue expenditure (including depreciation)	1,845.29	1,931.54
Capital expenditure	168.59	341.88
	<b>2,013.88</b>	<b>2,273.42</b>

### 51 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for change (+/- 25 %)
Current Ratio	Current assets	Current liabilities	9.46	10.05	-6%	
Debt- Equity Ratio	Total Debt <sup>(1)</sup>	Shareholder's Equity	0.00	0.00	0%	Refer note <sup>(7)</sup>
Debt service Coverage Ratio	Earnings for debt service <sup>(2)</sup>	Debt service <sup>(3)</sup>	141.06	361.78	-61%	Refer note <sup>(7)</sup>
Return on Equity (ROE)	Net Profits after taxes + tax impact on exceptional item	Average Shareholder's Equity	11%	19%	-42%	Refer note <sup>(9)</sup>
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.53	2.18	-30%	Refer note <sup>(8)</sup>
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade receivable	3.72	5.09	-27%	Refer note <sup>(10)</sup>
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade payables	4.57	6.25	-27%	Refer note <sup>(8)</sup>
Net Capital Turnover Ratio	Revenue from operations	Working capital <sup>(4)</sup>	0.59	0.84	-30%	
Net Profit Ratio	Net Profit after taxes	Revenue from operations	22%	28%	-21%	Refer note <sup>(7)</sup>
Return on Capital Employed (ROCE)	EBIT <sup>(5)</sup> - taxes + tax impact on exceptional item	Average capital employed <sup>(6)</sup>	11%	18%	-39%	
Return on Investment (ROI)						
- Unquoted - mutual funds	Income generated from investments	Time weighted average investments	3.32%	3.60%	-8%	
- Unquoted - Others	Income generated from investments	Time weighted average investments	5.54%	5.00%	11%	

(1) Debt represents borrowings and lease liabilities

(2) Earnings for debt service represents Net profit after taxes + Non-cash operating expenses

(3) Debt service represents Interest & Lease payments + Principal repayments

(4) Working capital represents Current assets – Current liabilities

(5) EBIT represents Earnings before Interest and Taxes

(6) Capital employed represents Total Assets – Current liabilities

(7) Decrease in Net Profit after Tax is majorly due to decrease in revenue and increase in operating expenses

(8) Decrease in Revenue from operations

(9) Increase in Average Inventory

(10) Increase in Average Trade Payables

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 52 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with struck off companies.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### 53 Description of the Group

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity	As at March 31, 2023		Share in		For the year ended March 31, 2023		Share in Total	
	Net Assets i.e. Total Assets minus Total Liabilities		Profit or Loss		Share in Other Comprehensive Income		Comprehensive Income	
	As % of consolidated Net Assets	Amount (₹ in million)	As % of consolidated Profit or Loss	Amount (₹ in million)	As % of consolidated Other Comprehensive Income	Amount (₹ in million)	As % of consolidated Total Comprehensive Income	Amount (₹ in million)
<b>PARENT COMPANY</b>								
Gland Pharma Limited	100%	79,532.98	99%	7,758.26	157%	(22.52)	99%	7,735.74
<b>SUBSIDIARIES</b>								
<b>Foreign subsidiaries</b>								
Gland Pharma	0%	129.03	1%	52.79	0%	-	1%	52.79
International Pte. Ltd.	0%	40.47	0%	(0.62)	0%	-	0%	(0.62)
Gland Pharma USA Inc.	0%	-	0%	-	0%	-	0%	-
<b>Sub total</b>	<b>100%</b>	<b>79,702.48</b>	<b>100%</b>	<b>7,810.43</b>	<b>157%</b>	<b>(22.52)</b>	<b>100%</b>	<b>7,787.91</b>
Adjustment arising out of consolidation	0%	(115.26)	0%	-	-57%	8.14	0%	8.14
	<b>100%</b>	<b>79,587.22</b>	<b>100%</b>	<b>7,810.43</b>	<b>100%</b>	<b>(14.38)</b>	<b>100%</b>	<b>7,796.05</b>
Non-controlling interests	0%	-	0%	-	0%	-	0%	-
<b>Total</b>	<b>100%</b>	<b>79,587.22</b>	<b>100%</b>	<b>7,810.43</b>	<b>100%</b>	<b>(14.38)</b>	<b>100%</b>	<b>7,796.05</b>

**Note:** Net assets and share in profit or loss for the Holding Company and subsidiaries are as per the standalone financial statements of the respective entities.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

### 53 Description of the Group (Contd..)

Name of the entity	As at March 31, 2023		Share in		For the year ended March 31, 2023		Share in Total	
	Net Assets i.e. Total Assets minus Total Liabilities		Profit or Loss		Share in Other Comprehensive Income		Comprehensive Income	
	As % of consolidated Net Assets	Amount (₹ in million)	As % of consolidated Profit or Loss	Amount (₹ in million)	As % of consolidated Other Comprehensive Income	Amount (₹ in million)	As % of consolidated Total Comprehensive Income	Amount (₹ in million)
<b>PARENT COMPANY</b>								
Gland Pharma Limited	100%	71,582.28	100%	12,121.55	84%	(3.85)	100%	12,117.70
<b>SUBSIDIARIES</b>								
<b>Foreign subsidiaries</b>								
Gland Pharma	0%	75.50	0%	(4.91)	0%	-	0%	(4.91)
International Pte. Ltd.	0%	-	0%	-	0%	-	0%	-
Gland Pharma USA Inc.	0%	-	0%	-	0%	-	0%	-
<b>Sub total</b>	<b>100%</b>	<b>71,657.78</b>	<b>100%</b>	<b>12,116.64</b>	<b>84%</b>	<b>(3.85)</b>	<b>100%</b>	<b>12,112.79</b>
Adjustment arising out of consolidation	0%	(81.57)	0%	-	16%	(0.73)	0%	(0.73)
	<b>100%</b>	<b>71,576.21</b>	<b>100%</b>	<b>12,116.64</b>	<b>100%</b>	<b>(4.58)</b>	<b>100%</b>	<b>12,112.06</b>
Non-controlling interests	0%	-	0%	-	0%	-	0%	-
<b>Total</b>	<b>100%</b>	<b>71,576.21</b>	<b>100%</b>	<b>12,116.64</b>	<b>100%</b>	<b>(4.58)</b>	<b>100%</b>	<b>12,112.06</b>

**Note:** Net assets and share in profit or loss for the Holding Company and subsidiaries are as per the standalone financial statements of the respective entities.

### 54 Exceptional item

Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹ 564.61 Mn. has been recorded as a provision for credit impaired financial assets. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in INR millions, except share data and unless stated otherwise)

## 55 Subsequent events

The Company, through its wholly owned subsidiary ("Gland Pharma International Pte. Ltd." or "Gland Singapore"), has entered into a Put option agreement on November 29, 2022 to acquire 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as "Cenexi") and 3 holding companies of Cenexi and entered into a Share Purchase Agreement ('SPA') on January 06, 2023.

Subsequent to the balance sheet date, on satisfaction of customary closing conditions and receipt of the necessary regulatory approvals, Gland Singapore has paid an amount of EUR 114.26 Mn (after adjustments as per the terms and conditions of SPA) and refinanced the outstanding existing loan of EUR 79.46 Mn for the acquisition on April 27, 2023. Accordingly, no effect for the same is given in the financial statements.

Cenexi is in the business of Contract Development and Manufacturing Organisation ("CDMO") with sterile expertise and a track-record in ampoules, PFS and vials, and complex or niche formulations and/or dosage forms with a focus on high potent steriles and solids.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

per **Vineet Kedia**

Partner

Membership No. 212230

Place: Hyderabad

Date: May 18, 2023

for and on behalf of the Board of Directors

**Gland Pharma Limited**

**Srinivas Sadu**

Managing Director and

Chief Executive Officer

DIN: 06900659

**P. Sampath Kumar**

Company Secretary

Place: Hyderabad

Date: May 18, 2023

**Satyanarayana Murthy Chavali**

Independent Director

DIN: 00142138

**Ravi Shekhar Mitra**

Chief Financial Officer

# Corporate Information

## Company Secretary and Compliance Officer

P. Sampath Kumar

## Statutory Auditors

S.R. Batliboi & Associates LLP

Chartered Accountants

## Registered Office

Survey No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal Medchal-Malkajiri District, Hyderabad - 500043, Telangana, India  
Tel: +91-40-30510999  
Fax: +91-40-30510800

## Corporate Office

Plot No. 11 & 84, TSIC Phase: IV Pashamylaram (V), Patancheru (M), Sangareddy District Hyderabad 502307, Telangana, India  
Tel: +91-08455-699999

## Investors Contact

### For Individual Investors, Grievance and Secretarial matters

Sampath Kumar Pallerlamudi  
Company Secretary and Compliance Officer  
Tel: +91 8455699999 | Ext: 1194  
E-mail: investors@glandpharma.com

### For Institutional Investors & Financial Analysts

Sumanta Bajpayee  
Vice President – Investor Relations  
Tel: +91 8455699999 | Ext: 1413  
E-mail: Sumanta.Bajpayee@glandpharma.com

## Corporate Identification Number

L24239TG1978PLC002276

## Registrar and Transfer Agent

Link Intime India Private Limited,  
C 101, 247 Park, L.B.S.Marg,  
Vikhroli (West), Mumbai - 400083.  
Tel: 022 - 49186000 (Board line No.)  
022 - 49186270 (for Investors)  
Fax No: 022 - 49186060  
E-mail: devang.mehta@linkintime.co.in  
Investor Grievance  
E-mail: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in  
SEBI Registration No.: INR000004058

## Secretarial Auditors

RVR & Associates  
Company Secretaries

## Facilities

### Formulation Facilities

- Sy. No. 143-148, 150 & 151 D.P. Pally, Dundigal (Post) Hyderabad – 500 043. Telangana, India
- Unit-I, Plot No.54, 55 & 64 – 68, Phase – III, Industrial Park, Pashamylaram (V), Patancheru (M), Sangareddy District, Hyderabad – 502 307 Telangana, India
- Unit-II, Plot No.42-52, Phase – III Industrial Park, Pashamylaram (V) Patancheru (M), Sangareddy District Hyderabad – 502307 Telangana, India
- Unit II, Block C, Phase I Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam - 530 046 Andhra Pradesh, India

## API Facilities

- Sy. No. 143-148, 150 & 151, D.P. Pally, Dundigal (Post), Hyderabad – 500 043 Telangana, India
- Plot No.9, Sy No.542(P), Genome Valley, Kolthur Village, Shamirpet Mandal, Medchal District, Hyderabad - 500 078 Telangana, India
- Unit I, Block C, Phase I, Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam - 530 046 Andhra Pradesh, India
- Plot No.49 & 50 Jawaharlal Nehru Pharmacy, Parawada (M), Visakhapatnam - 531019 Andhra Pradesh, India

## Subsidiaries

- Gland Pharma International Pte. Ltd. 8 Cross Street, #24-03/04 Manulife Tower Singapore (048424)
- Gland Pharma USA Inc. 208 West State Street Trenton, New Jersey 08608-1002 United States of America



**GLAND PHARMA LIMITED**