GLAND

GLAND PHARMA LIMITED

August 07, 2024

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
25th 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,

Sub: Notice of the 46th Annual General Meeting (AGM) along with copy of Annual Report for the year ended March 31, 2024

This is in continuation to our intimation dated May 22, 2024 and in compliance with the provisions of the Companies Act 2013 read with rules framed thereunder, Secretarial Standard - 2 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find enclosed herewith Notice of the 46th AGM of the Company along with the Annual Report for the year ended March 31, 2024.

The following documents are available on the Company's website:

1. Notice of the 46th Annual General Meeting (including e-voting instructions) – **Click Here**
2. Annual Report for FY 2023-24 - **Click Here**

The 46th AGM of the members of the Company is scheduled to be held on Friday, August 30, 2024, through Video conference/ Other Audio-Visual Means (OAVM).

46th AGM information at a glance for ready reference:

Time and date of AGM	11:00 A.M (IST), Friday, August 30, 2024
Cut-off date for e-voting	Friday, August 23, 2024
E-voting start time and date	9:00 A.M (IST), Tuesday, August 27, 2024
E-voting end time and date	5:00 P.M (IST), Thursday, August 29, 2024
E-voting website of LINKINTIME	https://instavote.linkintime.co.in/

This is for your information and records.

Yours truly,
For Gland Pharma Limited

KUMAR PALLERLAMUDI SAMPATH
Digitally signed by KUMAR PALLERLAMUDI SAMPATH
DN: cn=KUMAR PALLERLAMUDI SAMPATH, c=IN, o=Personal, email=SAMPATH@GLANDPHARMA.COM
Date: 2024.08.07 18:32:20 +05'30'

Sampath Kumar Pallerlamudi
Company Secretary & Compliance Officer

Encl: As above

GLAND PHARMA LIMITED

Notice

Notice is hereby given that the 46th Annual General Meeting of the Members of Gland Pharma Limited will be held on Friday, August 30, 2024 at 11.00 A.M (IST) through video conferencing (VC) / other audio-visual means (OAVM) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2024 including the Audited Balance Sheet as at 31st March, 2024; 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 31st March, 2024 including the Audited Balance Sheet as at 31st March, 2024; 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 31st March, 2024 including the Audited Consolidated Balance Sheet as at 31st March, 2024; 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 31st March, 2024 including the Audited Consolidated Balance sheet as at 31st March, 2024; 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 declare the final dividend on equity shares for the financial year ended 31st March 2024.

   "RESOLVED THAT a final dividend of ₹ 20/- (₹ Twenty only) per equity share of face value ₹ 1/-, each fully paid-up of the Company, as recommended by the Board of Directors of the Company for the Financial year ended March 31, 2024 on paid-up capital of ₹ 164,751,723 be and is hereby declared and the same be paid out of the profits of the Company within the stipulated timelines to the eligible shareholders of the Company whose names appear on the Register of Members of the Company as on the Record date i.e., August 16, 2024."

4. 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."

5. To not fill the vacancy caused by retirement of Mr. Yao Fang as a Director, as he did not offer himself for reappointment.

   "RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act, 2013 and relevant rules framed thereunder, including any modifications thereto or reenactment thereof, for the time being in force, not to fill the vacancy caused by the retirement of Mr. Yao Fang (DIN: 09524705) as a Director, who retires by rotation and does not seek reappointment in this Annual General Meeting."

Special Business:

6. To approve the continuation of Mr. Qiyu Chen as a Director not liable to retire by rotation and being eligible (subject to receipt of Security clearance from the Ministry of Home Affairs, Government of India), offers himself for continuation.

   To consider and if thought fit, to pass the following as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of Mr. Qiyu Chen (DIN: 07675421), as a Non-Executive and Non-Independent Director, not liable to retire by rotation, be and is hereby approved."

   Note: Item No.6 will be considered and taken up for voting, only if the security clearance is received on or before August 25, 2024.

7. To appoint Mr. Wenjie Zhang (DIN: 10727581) as a Director, liable to retire by rotation.

   To consider and if thought fit, to pass the following as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152, 160, 178 of the Companies Act, 2013; Companies (Appointment and Qualification of Directors) Rules, 2014; Regulation 17(1C) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Mr. Wenjie Zhang (DIN: 10727581) be and is hereby appointed as a Director (Non-Executive and Non-Independent), liable to retire by rotation."

By Order of the Board of Directors

Sampath Kumar Pallerlamudi
Company Secretary
Membership No. A17901

Place: Hyderabad
Date: 06.08.2024

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
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 or continuation 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; No.10/2022 dated December 28, 2022 and No. 09/2023 dated September 25, 2023 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; SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 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 46th 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 46th AGM shall be the Corporate Office of the Company i.e., Plot No.11& 84, TSIIC, 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 46th 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, 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.

9) In accordance with the aforesaid Circulars, the Notice of the 46th AGM along with the Annual Report for the financial year ended March 31, 2024 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 46th AGM and the Annual Report are also available on the Company's website: 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) and (www.nseindia.com).

10) In accordance with the aforesaid Circulars, no physical copy of the Notice of the 46th AGM and the Annual Report for the financial year ended March 31, 2024 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 or 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 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.

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, 1st 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

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 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 InstaMeet 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 30th August, 2024.

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
Company Secretary
Membership No. A17901

Place: Hyderabad
Date: 06.08.2024

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
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) AND EXPLANATORY STATEMENT TO BE ANNEXED UNDER SECTION 102 OF THE COMPANIES ACT FOR SPECIAL BUSINESS (ITEM NO.6 AND 7)

ITEM NO. 4:

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 Executive Chairman 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 25 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 24 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 was appointed as the Executive Chairman and CEO with effect from June 10, 2024.

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

He retires by rotation at the 46th 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 SEBI order 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 ₹ 70.15 Mn (including Variable Pay).

Mr. Srinivas Sadu has attended all the Board meetings and all Meetings of the Corporate Social Responsibility Committee and Stakeholders' Relationship Committee and Share Transfer Committee held during FY 2023-2024. He attended one Risk Management Committee Meeting (two meetings were held in FY 2023-24). Mr. Srinivas Sadu does not hold any equity shares in the Company as on 31st March, 2024.

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 in 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 not fill the vacancy caused by retirement of Mr. Yao Fang as a Director, as he did not offer himself for reappointment.

Mr. Yao Fang is a Non-Executive and Non-Independent Director on the Board of the Company. He is liable to retire by rotation in the 46th Annual General Meeting of the Company. Mr. Yao Fang did not offer himself for reappointment and accordingly he would retire and not be reappointed at the 46th Annual General Meeting of the Company. The vacancy caused by the retirement of Mr. Yao Fang would not be filled at this Annual General Meeting.

ITEM NO. 6:

To approve the continuation of Mr. Qiyu Chen as a Director not liable to retire by rotation, being eligible (subject to receipt of Security clearance from the Ministry of Home Affairs, Government of India), offers himself for continuation.

Mr. Qiyu Chen holds a Bachelor's degree in Genetics from Fudan University and Master's degree in Business Administration from China Europe International Business School.

Mr. Qiyu Chen has over 30 years of experience in Management. 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 on the board of Fosun International Limited, a company listed on the Stock Exchange of Hong Kong Limited. Mr. Qiyu Chen is also the Chairman of Fosun United Health Insurance Company Limited, Shanghai Henlius Biotech Inc. He is also on the Board of Sinopharm Group Co., Ltd., a company listed on the Stock Exchange of Hong Kong Limited. He joined the Fosun group in April 1994 and was appointed as an Executive Director of the Fosun group in May 2005.

Mr. Qiyu Chen was first appointed to the Board of Directors of the Company on 03rd October, 2017 as a Director not liable to retire by rotation, pursuant to the provisions of

Section 152(6) of the Companies Act, 2013. He is presently serving as a Non- Executive Director of the Company.

Regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the continuation of a director serving on the Board of Directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be. Provided that the continuation of the director serving on the Board of Directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024

As Mr. Qiyu Chen was appointed on 3rd October, 2017 as a Director not liable to retire by rotation, he did not offer himself for reappointment till date in any Annual General Meeting, since 2017. As per the above-mentioned Regulation, the approval of the shareholders in the 46th Annual General Meeting to be held on 30th August, 2024, is required for continuation of his Directorship.

Pursuant to Notification No. G.S.R. 410 (E) dated 1st June, 2022 (Notification) issued by the Ministry of Corporate Affairs, amending the Companies (Appointment and Qualification of Directors) Rules, 2022; Mr. Qiyu Chen, being a Chinese National (a national of a country which shares land border with India) has to obtain Security clearance from the Ministry of Home Affairs (MHA), Government of India for continuation as a Director.

The Company has filed the necessary application for Mr. Qiyu Chen and is awaiting the Security clearance. His eligibility for continuation as a Director is subject to the receipt of Security clearance.

Mr. Qiyu Chen, as mentioned above, being eligible subject to receipt of Security clearance, offers himself for continuation as a Director not liable to retire by rotation. If he obtains the Security clearance before the commencement of voting on the resolutions i.e., on or before 25th August, 2024; the corresponding resolution will be put for voting. Else, he will retire as a Director and the resolution will not be put for voting as he is not eligible for continuation in pursuance of the above mentioned Notification. In that case, Mr. Qiyu Chen's appointment as a Director may be placed before the shareholders for their approval, subject to recommendation by the Board, once he receives the Security clearance from MHA.

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. Qiyu Chen to the effect that he is not disqualified, pending the Security clearance from MHA, 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 SEBI order or by any other such authority.

Mr. Qiyu Chen has attended two out of five Board meetings held during F.Y. 2023-24. He is not a member on any committee of the Board of Directors. Mr. Qiyu Chen does not hold any shares of the Company as on 31st March, 2024.

Mr. Qiyu Chen 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.

Mr. Qiyu Chen is not related to any Director /Key Managerial Personnel of the Company. Except Mr. Qiyu Chen, 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 in item no. 6 of the Notice. The Board of Directors recommends the resolution set forth in item no. 6 of the Notice for approval of the members.

ITEM NO. 7:

To appoint Mr. Wenjie Zhang (DIN: 10727581) as a Director, liable to retire by rotation.

Mr. Wenjie Zhang is the Executive President and Co-CEO of Innovative Medicines division of Fosun Pharma. He is also the Chairman and Executive Director of Shanghai Henlius Biotech Co. Ltd and Chairman of Fosun Kite Biotechnology Co. Ltd.

Mr. Wenjie Zhang joined Fosun Pharma Group and served as Senior Vice President, Chief Commercial Operations Officer, Chief Strategic Officer, President, CEO, and Chairman of Shanghai Henlius Biotech Co., Ltd. since March, 2019.

Before joining Henlius in March, 2019; Mr. Zhang served as General Manager of Amgen China where he was leading the company's overall efforts in expanding the business into the Chinese market. During his tenure as General Manager, Amgen China has effectively built up its commercial infrastructure, organization, and competency. He successfully launched Repatha® (evolocumab), Amgen's first product in China. Prior to that, Mr. Zhang was the Executive Director, Marketing for Amgen Japan and Asia Pacific region, responsible for marketing and business development in China, Japan, Australia and other Asia Pacific countries and regions.

Prior to Amgen, Mr. Zhang worked as Vice President, Oncology for Roche China from 2010 to 2014, where he significantly grew the Roche oncology portfolio including Avastin® (bevacizumab), Tarceva®(erlotinib) and MabThera® (rituximab) in the China market. He also led Roche China oncology franchise in pipeline planning, franchise strategy, and franchise marketing.

During his stint with Bayer Group, for more than ten years prior to his association with Roche, Mr. Wenjie Zhang served as the Head of Business Development at Bayer Schering Pharma, Asia Pacific Headquarters; Product Manager of US Marketing, Business Development Manager and Deputy Director of Global Marketing at Bayer Pharmaceuticals USA. In this role, he led the fastest-growing business unit within Bayer China. He also had dual responsibility as Head of the same business unit for the Asia Pacific region. He succeeded in launching multiple products in China including Nexavar®, Kogenate® and Betaferon®.

Mr. Zhang holds an MBA degree from Yale University School of Management and a B.S. degree in Microbiology from Shandong University.

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. Wenjie 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 SEBI order or by any other such authority.

Mr. Wenjie Zhang is neither a director in any of the listed companies nor resigned from any listed company during the past three years in India.

Mr. Wenjie Zhang does not hold any equity shares in the Company as on 31st March, 2024.

Mr. Wenjie Zhang is not related to any Director /Key Managerial Personnel of the Company. Except Mr. Wenjie 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 in item no. 7 of the Notice. The Nomination and Remuneration Committee and the Board of Directors of the Company recommends the resolution set forth in item no. 7 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: 06.08.2024

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
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)

Name	Mr. Srinivas Sadu
DIN	06900659
Age	55 Years
Qualification	• Bachelor's Degree in Pharmacy (B. Pharmacy) from Gulbarga University • Master's in Industrial Pharmacy from Long Island University (New York) • Master's in Business Administration in Marketing from University of Baltimore (Maryland) • Post Graduate Certificate in Finance and Management from London School of Business (London).
Experience (including expertise in specific functional area)/ Brief Resume	As mentioned in the above Explanatory Statement
Terms and Conditions of Reappointment	As per the resolution at Item No.4 of the Notice of the 46th Annual General Meeting.
Remuneration last drawn (including sitting fees, if any)	₹ 70.15 Mn (Fixed Pay and Variable Pay)
Remuneration proposed to be paid	Not applicable
Date of first appointment on the Board	17/06/2014 (Whole- time Director from June, 2014 to October, 2017) Appointed as MD & CEO w.e.f 25th April, 2019 for a period of three years and reappointed for a period of five years from 25th April, 2022 till 24th April, 2027. Appointed (redesignated) as Executive Chairman & CEO with effect from 10th June, 2024
Shareholding in the Company as on 31st March 2024 (including shareholding as a beneficial owner)	Nil
Relationship with other Directors/Key Managerial Personnel	Not related to any Director /Key Managerial Personnel
Number of meetings of the Board attended during the year (FY 2023-24)	5
Directorships of other Boards as on 31st March, 2024 **(including listed entities from which the person has resigned in the past three years)**	Sadu Advisory Services Private Limited
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2024 **(including listed entities from which the person has resigned in the past three years)**	Nil

(B)

Name	Mr. Qiyu Chen
DIN	07675421
Age	52 Years
Qualification	• Bachelor's degree in Genetics from Fudan University, Shanghai, China. • Master's degree in Business Administration from China Europe International Business School.
Experience (including expertise in specific functional area)/ Brief Resume	As mentioned in the above Explanatory Statement
Terms and Conditions of continuation	As per the resolution at Item No.6 of the Notice of the 46th Annual General Meeting.
Remuneration last drawn (including sitting fees, if any)	Mr. Qiyu Chen is a Non- Executive Director of the Company, he does not draw any remuneration from the Company.
Remuneration proposed to be paid	Not applicable
Date of first appointment on the Board	He was first appointed on the Board on 3rd October, 2017
Shareholding in the Company as on 31st March 2024 (including shareholding as a beneficial owner)	Nil
Relationship with other Directors/Key Managerial Personnel	Not related to any Director /Key Managerial Personnel
Number of meetings of the Board attended during the year (FY 2023-24)	2
Directorships of other Boards as on 31st March, 2024 (including listed entities from which the person has resigned in the past three years)	Nil (in India)
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2024 (including listed entities from which the person has resigned in the past three years)	Nil

(C)

Name	Mr. Wenjie Zhang
DIN	10727581
Age	56 Years
Qualification	• Bachelor's degree in Microbiology from Shandong University. • Master's degree in Business Administration from Yale University School of Management
Experience (including expertise in specific functional area)/ Brief Resume	As mentioned in the above Explanatory Statement
Terms and Conditions of appointment	As per the resolution at Item No.7 of the Notice of the 46th Annual General Meeting.
Remuneration last drawn (including sitting fees, if any)	Not Applicable
Remuneration proposed to be paid	Not applicable
Date of first appointment on the Board	Not applicable
Shareholding in the Company as on 31st March 2024 (including shareholding as a beneficial owner)	Nil
Relationship with other Directors/Key Managerial Personnel	Not related to any Director /Key Managerial Personnel
Number of meetings of the Board attended during the year (FY 2023-24)	Not applicable
Directorships of other Boards as on 31st March, 2024 (including listed entities from which the person has resigned in the past three years)	Nil (in India)
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2024 (including listed entities from which the person has resigned in the past three years)	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 46th Annual General Meeting (AGM) to be held on Friday, the 30th August, 2024 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:

EVEN	Commencement of remote e-voting	End of remote e-voting
240416	Tuesday, August 27, 2024 at 9.00 am (IST)	Thursday, August 29, 2024 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., Friday, August 23, 2024, 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 46th AGM to be held on August 30, 2024.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Open web browser by typing the following URL: https://eservices.nsdl.com 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. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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.
Individual Shareholders holding securities in demat mode with CDSL	1. 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. 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. 3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) & login through their depository participants	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

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 ("Corporate Body/ Custodian/Mutual Fund")::

STEP 1 – Registration

a) Visit URL: https://instavote.linkintime.co.in

b) Click on Sign up under "Corporate Body/ Custodian/ Mutual Fund"

c) Fill up your entity details and submit the form.

d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.

f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) Click on "Investor Mapping" tab under the Menu Section

c) Map the Investor with the following details:

   a. 'Investor ID' -

      i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678

      ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

   b. 'Investor's Name - Enter full name of the entity.

   c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.

   d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.

d) Click on Submit button and investor will be mapped now.

e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) Click on 'Votes Entry' tab under the Menu section.

c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.

d) Enter '16-digit Demat Account No.' for which you want to cast vote.

e) 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).

f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.

g) 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. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) You will be able to see the notification for e-voting in inbox.

c) Select 'View' icon for 'Company's Name / Event number '. E-voting page will appear.

d) Download sample vote file from 'Download Sample Vote File' option.

e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk for Individual Shareholders holding securities in physical mode/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

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

If an Individual Shareholder 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 shareholder 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.

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:
If a Non-Individual Shareholder holding securities in demat 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 '**Corporate Body/ Custodian/ Mutual Fund**' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder 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.

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 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 or 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. 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.

Instructions for Income Tax compliance with respect to dividend:

i. The Board of Directors had recommended a Final Dividend of ₹ 20/- (2000%) per equity share of face value of ₹ 1/- each for the Financial Year ended March 31, 2024 subject to approval of the Members at the ensuing AGM. If the final dividend as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within thirty days of receipt of shareholders' approval.

ii. The record date for the purpose of determining the eligibility of shareholders to receive the Final Dividend, if approved by shareholders in the ensuing AGM is August 16, 2024.

iii. The Finance Act, 2020 has abolished dividend distribution tax (DDT). Accordingly, effective from 1st April, 2020; dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source ("TDS") from the amount of dividend paid to shareholders at the prescribed rates. The detailed TDS rates and required documents for claiming non-deduction/ lower deduction of TDS are uploaded on the website of the Company at: www.glandpharma.com

iv. To avail the benefit of non-deduction/lower deduction of TDS, kindly submit the required documents by email on or before August 18, 2024 Or The forms/ documents (duly completed and signed) for claiming tax exemption are required to be uploaded on the URL: https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or send to email at gpldivtax@linkintime.co.in

   1. On this page the user shall be prompted to select / share the required information therein to register their request. iii. The forms for tax exemption can be download

v. The forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is: https://liiplweb.linkintime.co.in/client-downloads.html

   - On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"

vi. The upload of forms/documents (duly completed and signed) on the above mentioned URL of Link Intime India Private Ltd should be done on or before August 18, 2024 to enable the Company to determine and deduct appropriate TDS / Withholding Tax.

vii. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after August 18, 2024.

viii. In terms of the MCA and SEBI circular, in case the Company is unable to pay the dividend to any share holder by electronic mode due to nonavailability of the details of their bank account, the Company will dispatch the Dividend Warrants/ Demand Drafts to such shareholders by post.

ix. All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to: gpldivtax@linkintime.co.in

General instructions

a) The remote e-voting period commences on Tuesday, August 27, 2024, (9.00 am IST) and ends on Thursday, August 29, 2024, (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 Friday, August 23, 2024, 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., Friday, August 23, 2024 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 Friday, August 23, 2024.

f) The Board of Directors of the Company has appointed Ms. D. Soumya, 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 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 with a copy marked to 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 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: 06.08.2024

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
Website: https://glandpharma.com/

Annual Report 2023-24

GLAND PHARMA LIMITED

Accelerating Growth
Expanding Capabilities

Contents

More information at www.glandpharma.com

About the report

The Integrated Report 2023-24 serves as a crucial communication document for shareholders and other stakeholders, designed to offer a concise, comprehensive, and transparent evaluation of our capacity to drive sustainable long-term value.

This report provides a holistic overview of our multifaceted value creation initiatives, encompassing both tangible and intangible, financial and non-financial aspects of our operations.

The report meticulously evaluates all six capitals, integrating them into the key performance indicators (KPIs) utilised to gauge our performance against strategic objectives. Anchored in our core values, our strategic pillars play a pivotal role in resource and relationship management. Additionally, the report presents a balanced assessment of our overall performance, shedding light on our governance structure, operating environment, risks and opportunities, and prospects.

The report delves into non-financial aspects in addition to financial performance, shedding light on operational, environmental, and social performance. It highlights our concerted efforts to create value for stakeholders while contributing to global sustainable development goals (SDGs).

Standards and frameworks

The report adheres to the Integrated Reporting framework set forth by the Value Reporting Foundation, which was established following the merger of the International Integrated Reporting Council (IIRC).

Financial and statutory information in this report is presented adhering to the 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
- The Secretarial Standards issued by The Institute of Company Secretaries of India

Forward-looking statements

Some information in this report may contain forward-looking statements, which include statements regarding our Company's expected financial position, results of operations, business plans, and prospects. These statements are generally identified by forward-looking words, such as 'believe', 'plan', 'anticipate', 'continue', 'estimate', 'expect', 'may', 'will', or other similar words. Forward-looking statements depend on assumptions or bases underlying such statements. We have made these assumptions or bases in good faith and 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.

Scope and boundary

The Annual Report of Gland Pharma Limited (Gland Pharma) provides insights into our Company's business operations, presented through the lens of the six capitals as outlined by the International Integrated Reporting Council (IIRC). All six capitals (except social capital) contain information concerning our Company's operations across geographies. The reporting period covered in the Annual Report spans from April 01, 2023 to March 31, 2024. However, with the objective of offering stakeholders a comprehensive perspective, certain sections of the report furnish facts and figures from previous years and subsequent periods.

Assurance

To safeguard the accuracy of facts and information, the Management has conducted a thorough review of the facts and qualitative statements presented in the Integrated Report. The statutory auditors, Deloitte Haskins & Sells, Chartered Accountants, have provided an unmodified opinion on the financial statements, and the Independent Auditor's Report has been duly included as part of this report.

Management responsibility

The Chief Executive Officer and Senior Management of the Company have reviewed the contents of this report to optimise governance oversight, risk management, and controls.

Unlocking value for stakeholders by leveraging our strategies and resources

Strategic priorities

S1 Driving geographic expansion

S2 Advancing portfolio development

S3 Establishing biologics CDMO

S4 Elevating our Environmental, Social, and Governance (ESG) Integration

Our capitals

- Financial
- Manufactured
- Innovation
- Human
- Social and Relationship
- Natural

Our stakeholders

- **Government and regulatory bodies**
- **Investors and Promoters**
- **B2C stakeholders** (Corporate hospitals, nursing homes and government facilities)
- **B2B stakeholders** (pharma companies, marketing partners)
- **Business Partners**
- **Employees**
- **Community**

Gland Pharma epitomises agility, adaptability, and resilience. Our consistent performance speaks volumes about our ability to capitalise on opportunities that remain evolving. This ability to deliver tangible results consistently amidst a dynamic business landscape is instrumental in our sustained growth and success.

Accelerating Growth **Expanding** Capabilities

Over the years, we have remained committed to expanding our capabilities. Enhancing capacities across our plants with strategic capital expenditures is our way of staying ahead of the curve.

Our substantial investments in R&D and an increase in product filings, with a growing emphasis on complex injectables, further bolster our growth momentum.

Looking at this year's performance, we see a significant rebound for our base business, complemented by the exciting milestone of completing our first international acquisition, Cenexi, in Europe. We remain focused on enhancing Cenexi's profitability and developing a strategic blueprint to ensure consistent margin delivery in the medium to long term, thereby fully realising the acquisition's potential.

As we move ahead, biologics and high-end contract development and manufacturing organisations (CDMOs) continue to be key drivers of growth, representing a strategic long-term play. Our immediate priority is obtaining regulatory approvals for our biologics facility and build on potential near-term opportunities.

Throughout our journey, our dedicated teams remain the foundation for every sustainable business endeavour. We empower them through targeted training programmes that sharpen skills and enhance performance. By investing in our human resources, we equip them with a competitive edge, enabling them to navigate the dynamic business challenges and opportunities.

These concerted efforts converge to propel our accelerated growth trajectory. Across diverse businesses and geographies, we are expanding our capabilities to support this growth, foster collective success, and fortify our leadership for the long term.

Report card, FY 2023-24

Advancing growth with a strong foundation

Financial

₹56,647 Mn
56% y-o-y growth
Revenue from operations

₹13,331 Mn
30% y-o-y growth
EBITDA

₹7,725 Mn
Profit after Tax

₹47
Earnings per share

Innovation

89+
Product SKUs launched in core markets

₹1,774 Mn
Total R&D expenditure

19
Abbreviated New Drug Applications (ANDAs) filed

24
ANDAs approved

2
Drug Master Files (DMFs) filed

Governance

56%
Independent Directors on the Board

32+
Years of average experience of Directors

93%
Board meeting attendance

95%
Committee meeting attendance

Environmental

3%
Energy used from renewable sources

1,789.7 MT
Waste utilised

28%
Reduction in High-Speed Diesel (HSD) oil for steam generation

People

637
New people onboarded

63
Leaders identified for Leadership development programme

Zero
Fatalities across manufacturing facilities

Community

51,000+
Lives impacted through CSR programmes

₹267 Mn
Contribution to CSR

Big stories of the year

Surpassing benchmarks with a sharp focus

At Gland Pharma, we stand as the beacon of consistent progress. Our dedication to enhancing patient well-being remains our guiding force. Our strategic foresight and agility enable us to navigate the ever-evolving pharmaceutical landscape, while staying rooted in our core purpose. Each quarter, Gland Pharma strives to surpass our previous accomplishments, setting new benchmarks for excellence in performance and innovation.

Q1

Successful completion of USFDA inspections at three of our sterile facilities.

Acquired Cenexi and commenced post-merger integration activities.

Implemented a solar power plant at our corporate office.

Filed 4 ANDAs and received 9 ANDAs approvals

Q2

Concluded a successful audit by EU authorities at the Pashamylaram site in Hyderabad, India.

Filed 1 ANDA and received 6 ANDAs approvals.

Q3

Initiated upgrade for one of the lyophilisation lines at our Dundigal flagship facility in Hyderabad.

Filed 10 ANDAs during the quarter and received approval for 3 ANDAs.

Q4

Achieved highest quarterly revenue - Gland base business (excluding Cenexi).

Filed 4 ANDAs and received 6 ANDAs approvals.

Corporate identity

Leading the way with quality excellence

Gland Pharma, incorporated in Hyderabad in 1978, has risen as a dynamic leader in the realm of generic injectables. Our presence extends across over 60 countries, encompassing key markets, including the US, Europe, Canada, and Australia, solidifying our position with a firm global footprint. With seven state-of-the-art manufacturing facilities across India (4 formulation and 3 API), we stand as a company renowned for our excellence in offering both finished formulations and Active Pharmaceutical Ingredients (APIs).

We focus on addressing the diverse needs for injectables by ensuring a consistent supply of cost-effective, high-calibre products. We excel in offering an extensive portfolio of injectable products meticulously developed to serve a host of therapeutic areas and delivery systems. Our specialisation in sterile injectables, oncology, and ophthalmics, with an emphasis on complex injectables, highlights our commitment to addressing healthcare needs.

Our dedication to excellence is reflected in our seven world-class manufacturing sites in India, where we maintain adherence to stringent regulatory standards and quality benchmarks. A steadfast focus on research and development remains a prime driver of our journey, leading to innovative manufacturing for injectables. Currently, our R&D efforts are concentrated on advancing complex injectables. We are also exploring potential acquisitions, co-development and in-licensing opportunities to accelerate our growth and strengthen our position in this segment.

Our objective is to continuously enhance our product portfolio to ensure the availability of affordable medications that significantly improve patient care. This includes the integration of novel delivery systems like pens and cartridges, complementing our existing array of liquid vials, lyophilised vials, pre-filled syringes, ampoules, bags, and drops. Additionally, we are actively making inroads into the realm of cartridges and pens.

Key facts

45+
Years of robust industry experience

28
Production lines across finished formulation and API

4,200+
Employees as of March 31, 2024

~1,000 Mn
Units of finished formulation capacity

Our Mission

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

Our Values

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

- Teamwork
- Innovative Spirit
- Customer Responsiveness
- Safety
- Integrity and Transparency
- Social Responsibility

Our Guiding Principles

Efficacy

With our quality-first approach, we prioritise patient health. We emphasise integrity at all times, and our technical capabilities to handle complex manufacturing requirements strengthen the efficiency of our operations.

Excellence

We harness our seamless methodologies to cultivate efficiencies and drive high productivity across supply chain management and manufacturing operations. This helps us offer affordable and high-quality products, resulting in customer satisfaction in all business services. Our product development capabilities enable us to build a sustainable platform for future growth.

Ethics

We uphold our commitment to good corporate governance as a standard operating procedure. We maintain transparency and fairness in all business dealings with stakeholders. Our proactive activities for the betterment of society have shaped us as an empathetic and socially responsible company.

Key milestones

Delivering lasting impact through decades

1978
Founded by PVN Raju to manufacture and market Heparin injection for the domestic market, alongside providing contract manufacturing services for other pharmaceutical companies.

2000
- Signed its first contract manufacturing agreement for regulated markets.
- Set up R&D facility at Dundigal, Hyderabad.

2003
Received the USFDA acceptance for the Dundigal formulations facility in Hyderabad.

2004-2005
Launched Enoxaparin Sodium Injection (Cutenox) in India and Rest of the World markets.

2007
Entered the US market with Ketorolac pre-filled syringe (PFS).

2010
- Introduced Heparin, flagship product in the US market.
- Leased land at Visakhapatnam SEZ (VSEZ) for the development of Oncology and API facilities.

2014
- Commissioned a dedicated facility for Penems at Pashamylaram, Hyderabad.
- Added manufacturing lines for Ophthalmic and Automated Bags at Dundigal facility.

2016
- Obtained first USFDA approval for Penems plant in Hyderabad and Sterile Injectable plant at Pashamylaram, Hyderabad.
- Received first USFDA approval for API plant in VSEZ and Pharmacity, Visakhapatnam.

2017
Fosun acquired a 74% stake in Gland.

2018
- Approval for Enoxaparin injection for the US market.
- First ophthalmic product approval for the US market.

2019
Achieved first filing with the National Medical Products Administration, China.

2020
Listed on Indian stock exchanges, NSE & BSE.

2021
- Purchased assets of Vitane Biologics, a Hyderabad-based biopharmaceutical company.
- Commercialised Penem portfolio in the US market for other pharmaceutical companies.

2023
Completed the acquisition of Cenexi.

2024
Successfully launched Eribulin as our first major complex product.

Investment case

Enhancing value with strong core

We stand tall, fortified by our robust positioning, strengthened by a diverse product range and varied delivery systems, focus on innovation, commitment to quality, consistent compliance track record, and strong global presence.

Moreover, our dedication to sustainable growth, coupled with our focus on enhancing our value proposition, augments our progress. We firmly believe in fostering shared success, benefitting both our Company and our stakeholders.

Well-diversified portfolio

We remain committed to introducing new products to the market while driving our efforts to support manufacturing capacity and enhance technological expertise. With a diverse portfolio, we capitalise on multiple revenue streams, positioning us to seize market opportunities. Our key molecules include Enoxaparin Sodium, Cisplatin, Lacosamide, Rocuronium Bromide, Zoledronic Acid, and Vancomycin, to name a few. Additionally, we cover a wide array of therapeutic categories, including Anti-Infectives, Anaesthetics, Anti-Coagulants, Anti-Malarial, Cardiology, Hormones and Related Drugs, Fertility Supplements, and Gnrh Agonists and Antagonists. Gland focus on complex injectables, New Chemical Entities (NCE-1s), First-to-File products and 505(b)(2) filings.

Our delivery systems include liquid vials, lyophilised vials, pre-filled syringes, ampoules, bags and drops. We are expanding our development and manufacturing capabilities in **complex injectables** such as peptides, long-acting injectables, suspensions and hormonal products, as well as **new delivery systems** such as pens and cartridges.

1,667

Product registrations globally, of which 473 in the US, Europe, Canada, Australia, and New Zealand, 73 in India, and 1,121 in the rest of the world

14+

Therapeutic categories covered

Robust global presence

We delve into both regulated and emerging markets, harnessing our expansive reach to fuel revenue growth. Moving forward, our sights are set on establishing a presence in other large pharmaceutical markets in the Rest of the World, aligning with our goal of further enhancing our global reach and market penetration.

60+

Nations where we are present

Innovation eco-system

We leverage our state-of-the-art R&D division, which utilises cutting-edge technology and advanced research methodologies to develop innovative formulations. Our team of qualified scientists is dedicated to conducting stability studies, formulation development, analytical method development, and API process development. Our expertise lies in the synthesis of complex drug molecules, including Low-molecular-weight heparin (LMWH), corticosteroids, peptides, and cytotoxic molecules. Furthermore, we have successfully integrated our R&D capabilities with our advanced manufacturing setup to enhance efficiency and streamline processes.

~276

Scientists driving our R&D engine

World-class manufacturing capabilities

We proudly demonstrate our manufacturing prowess with four finished formulation units and three API facilities (one in biologics), enabling the development of high-quality products that adhere to stringent regulatory standards.

Our backward integration capabilities empower us to exert greater control over the supply chain, ensuring cost efficiency while fostering flexibility and agility to meet market demands. Operating within our state-of-the-art, current Good Manufacturing Practice (cGMP)-compliant formulation production facilities, we specialise in producing a diverse range of injectables with aseptic filling and terminal sterilisation processes.

7

State-of-the-art plants in India

Returns to shareholders

We generate sustainable shareholder value year after year, leveraging our track record of maintaining consistent financial performance. As we persist in our growth trajectory, we are dedicated to fortifying this mutually beneficial relationship.

₹20

Dividend per share

25%

5 Year CAGR, Networth

Strong financial profile

Our prudent capital structure strengthens our robust financial position, enabling us to pursue our growth aspirations. Substantial cash reserves enable the financial stability needed to expand our business portfolio further. A strong balance sheet with adequate liquidity provides a cushion to fund future growth through both organic and inorganic means.

0.04

Debt equity ratio

₹9,968 Mn

Cash flow from operation

Commitment to quality and consistent compliance track record

Focusing on quality standards across the business units and facilities, supported by 35% of the workforce in quality control and quality assurance, we conducted 40+ audits on average per year, including customer audits and regulatory agency audits. We focused on quality improvement through laboratory information management system software for quality control at all manufacturing locations.

We have a consistent regulatory compliance track record, and all our facilities are GMP-certified and approved by the USFDA, from whom we have had no warning letters since the inception of each facility. Other key regulatory agencies for which certain of our facilities have approvals include MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria) and BGV Hamburg (Germany).

35%

Of the workforce in Quality Control and Quality Assurance

1,473

Fulltime employees in Quality Control and Quality Assurance

40+

Audits on average per year, including customer audit and regulatory agency audit

Strong leadership and independent Board

Our board and management team, who bring diverse backgrounds and specialisations, guide us. Through their prudent leadership, we achieve our strategic focus on increasing profits, maximising efficiency, and integrating sustainability into our operations.

Efficient governance is the key driving force behind our success, with our core values and thought leadership permeating every aspect of our organisation.

56%

Independent Directors on the Board

Message from the MD & CEO

Advancing growth with forward-thinking strategies

At Gland, we take pride in our strategic presence in key markets, offering a unique portfolio of injectables and capabilities.

Dear Stakeholders,

I am pleased to present the key highlights of Gland's journey over the past financial year. Reflecting on our performance, we believe that the year has been particularly eventful, marked by the strategic acquisition of Cenexi. While our financial results demonstrated a positive momentum, they also highlight significant milestones and strategic advancements that position us for future growth.

At the base business level (excluding Cenexi), we delivered stable financial and operational performance, reflecting our strategic positioning and commitment to driving growth in the generics business through scale, scope, and capabilities. Cenexi, our European CDMO business, is a new addition to our fold, marking a significant milestone in our expansion journey. Although Cenexi is currently undergoing business integration and reported a negative financial performance, it remains a strong strategic pillar for our future growth. This acquisition brings complementary technical and operational capabilities to our base business, positioning Cenexi as our flagship brand for CDMO services, with particular emphasis on speciality products and injectables. With four cutting-edge manufacturing sites, each with a distinct competitive advantage and a marquee clientele, Cenexi opens up a significant addressable market in Europe, further accelerating our growth trajectory.

At Gland, we take pride in our strategic presence in key markets, offering a unique portfolio of injectables and capabilities. This approach sets us apart and allows us to make a meaningful impact as a market leader while seizing opportunities across diverse geographical regions.

Over the years, our diverse portfolio of injectable products, spanning various therapeutic areas and delivery systems, has cemented our reputation as a trusted leader in injectables. With a strong global presence encompassing regulated and emerging markets, we stand firm in our commitment to meet the evolving needs of patients and healthcare providers worldwide. We persistently focus on addressing a wide spectrum of injectable needs by ensuring a steady supply of high-quality products at an unmatched manufacturing scale.

Base Business (excluding Cenexi)

Our revenue from operations (excluding Cenexi) reached ₹41,769 million in FY 2023-24, a significant rise from ₹36,246 million recorded in FY 2022-23. Our EBITDA (base business) increased by 38% year-on-year to attain ₹14,142 million, with an EBITDA margin (base business) of 34% in FY 2023-24 compared to 28% in FY 2022-23. A host of factors, including the successful introduction of new products, new partnerships, relaunches, and the sustained market leadership of existing products, were responsible for driving this growth.

Our revenue from core markets, including the US, Europe, Canada, Australia, and New Zealand, witnessed a 21% year-on-year growth during FY 2023-24, contributing 78% to total revenue, with the US, our largest market, experiencing a 24% year-on-year surge. During the year, we successfully launched over 50 new molecules, including Regadenoson, Ganirelix Acetate, Doxycycline, Octreotide Acetate, Carboprost, and Ketamine, and relaunched more than 30 molecules, contributing to our continued expansion and market presence. Our key products, such as Enoxaparin Sodium, Cisplatin, Lacosamide, Rocuronium Bromide, Zoledronic Acid, and Vancomycin, exhibited robust growth without significant price fluctuations. Given this promising foundation, we are optimistic about building further momentum, leveraging compliance, cost leadership, scale, and a diverse product portfolio to sustain our competitive edge.

Excluding the US, our performance remained consistent in other markets within the core regions despite the prolonged approval process. Additionally, we focused on identifying products from our US portfolio conducive to entry into these regions, particularly in Australia and Europe.

Looking at the Rest of the World markets, it accounted for 16% of our revenue in FY 2023-24. Additionally, we witnessed favourable traction for certain products in these markets, paving the way for future growth. Moreover, we expect significant progress in the businesses we recently launched in this region over the next two to three years.

Meanwhile, the Indian market, which contributed 7% to our revenue, recorded growth in FY 2023-24. While we continue expanding into new markets, our focus in India remains on key products, and we are actively seeking strategic options to enhance value creation.

Integration of Cenexi

Our deep dive into Cenexi during the post-merger integration process has outlined the roadmap for us to attain the desired success from Cenexi. We maintain reasonable confidence in Cenexi's current clientele and their long-term commitment. With a solid order book of new programmes signed and in various stages of tech transfer and approval, we anticipate a medium-term incremental increase in our existing annual revenue base.

A comprehensive function-by-function integration plan is devised to address operational issues and maximise synergistic benefits. The team primarily focuses on accelerating existing business transformation programmes while driving necessary functional tasks.

Message from the MD & CEO

Furthermore, we are actively working to establish a shared long-term business goal for both Cenexi and Gland, identify new opportunities that capitalise on the combined capabilities of both entities, and align collaboration and governance mechanisms to ensure the seamless delivery of integration initiatives.

Cenexi is currently navigating a transitional phase marked by short-term operational challenges that are leading to performance issues. The Company is contending with frequent breakdowns, coupled with a significant proportion of low-margin products. To address these issues, we have initiated a comprehensive transformation plan encompassing short-term, medium-term, and long-term solutions. This strategy involves proactive investments in asset upgrades, capacity rebalancing, and the implementation of future-ready capabilities.

Notwithstanding these hurdles, Cenexi maintains a robust order book, a loyal customer base, ongoing tech transfer projects, and promising growth prospects. Although the realisation of the full potential of the acquisition has faced delays, we remain confident in Cenexi's medium- to long-term outlook. Our immediate priority is to boost Cenexi's profitability and achieve high-teen margins in the medium to long term.

Operational achievements

Our manufacturing facilities continue to run efficiently, reaffirming our commitment to delivering high-quality products at scale while maintaining competitive costs and adhering to stringent compliance standards. Additionally, we are investing in the construction of new high-speed lines to replace existing ones, implementing automation to boost efficiency, and ensuring continuous compliance with regulations.

₹56,647 Mn
Revenue in FY 2023-24

₹7,725 Mn
Profit after tax in FY 2023-24

This year has been marked by significant advancement, with over 40 successful audits conducted, including assessments by the regulators and our partners. Our unshakable commitment to compliance requirements continues to be central to our strategy, deeply embedded in our organisational culture, and integral to every business decision we make.

In sync with our objective to focus on innovation, we incurred an R&D expense of ₹ 1,774 million in FY 2023-24. Furthermore, we filed 19 ANDAs and obtained approval for 24 ANDAs. As of March 31, 2024, our collective efforts with partners resulted in the submission of 349 ANDAs in the US, with 286 approved and 63 pending approvals. At present, we hold 1,667 product registrations worldwide.

In our drive to excel in complex injectables, we set our sights on developing 19 molecules targeting a market valued at approximately USD 9 billion, as per IQVIA. To date, we have secured six approvals, with four products already making their market debut. The recent launch of Eribulin (May 2024) marks a significant milestone as our premier complex product in this domain. The next two years are set to be pivotal in our journey, as our complex product portfolio is poised to yield substantial outcomes. Additionally, we are actively exploring potential acquisitions, co-development opportunities, and in-licensing agreements to expedite our growth trajectory and fortify our position in this sector.

While biologics remain a cornerstone for driving our future growth, it represents a more long-term endeavour. Our immediate focus is on securing regulatory approvals for our facility through existing business channels and potential near-term achievements.

Financial performance

Amidst an evolving operational landscape, our teams remained steadfast, productive, and dedicated to our customers, ensuring the sustained progression of our upward trajectory. In FY 2023-24, our revenue surged by 56% to reach ₹ 56,647 million, compared to ₹ 36,246 million in the previous fiscal year. The growth enablers included consistent performance across markets, increased shipment volumes at stable prices, and the introduction of new products. Concurrently, our EBITDA soared to ₹ 13,331 million, up from ₹ 10,248 million in FY 2022-23, propelled by robust operational efficiencies. Our EBITDA margin stood at 24% in FY 2023-24 compared to 28% in FY 2022-23. Our PAT stood at ₹ 7,725 million with a PAT margin of 14% in FY 2023-24. Moving forward, we are committed to enhancing profitability and margins, anchored on a strategic growth blueprint.

The Board of Gland Pharma is delighted to propose its inaugural dividend to shareholders following our listing. The Board recommends a final dividend of ₹ 20 per equity share for the fiscal year ending March 31, 2024.

Strategic roadmap

We have identified a number of growth strategies that will help us maintain our momentum. These include the following:

- Expanding our presence globally, with a strategic focus on the US, Europe, and the rest of the world (RoW)
- Advancing our portfolio through strategic initiatives such as In-Licensing, Complex Development, and Co-Development
- Recognising the growing demand for biologics and staying committed to fortifying our CDMO in biologics
- Integrating Environmental, Social, and Governance (ESG) considerations into our core business strategy

ESG approach

We prioritise our focus on ESG principles, ingraining sustainability into every facet of our operations. We set a precedent in environmental stewardship by minimising our ecological footprint, conserving resources, and adopting eco-friendly practices across our manufacturing processes.

Our employees are the driving force behind our steady pursuit of innovation and growth. Their collective dedication and passion are the mainstay of our organisational agility and accomplishments. Recognising that employee satisfaction and well-being are essential drivers of productivity, we prioritise employee welfare while striving to fulfil their professional aspirations.

This year has been marked by significant advancement, with over 40 successful audits conducted, including assessments by the regulators and our partners. Our unshakable commitment to compliance requirements continues to be central to our strategy, deeply embedded in our organisational culture, and integral to every business decision we make.

Active engagement with the communities in which we operate is integral to our ethos. To drive collective prosperity, we support impactful CSR initiatives encompassing education, health, community development, environmental protection, and wildlife conservation, thereby benefitting those in need.

Our governance framework is rooted in transparency, accountability, and ethical conduct, ensuring adherence to regulatory standards and fostering fair and ethical business practices.

By upholding these ESG principles, we are committed to creating enduring value for all our stakeholders.

Embracing the future

Looking ahead, we are optimistic and firmly convinced that our prime moments are still ahead of us. Harnessing our core strengths, including our differentiated business model, continued focus on operational efficiencies and innovation, and commitment to stringent quality and compliance, we are confident that we can navigate the challenges of both domestic and global markets. This agile approach positions us for sustained growth and accretive value creation.

I am deeply grateful for the exceptional leadership of our Board and management, whose expertise has been instrumental in Gland Pharma's continued success. Their guidance, combined with the support of our shareholders, communities, customers, vendors, and stakeholders, has fuelled our growth and achievements. I am particularly proud of our dedicated employees, whose spirit and tireless work have been the cornerstone of our Company's progress and sustainability.

Thank you all for the remarkable year.

Regards,

Srinivas Sadu
MD & CEO

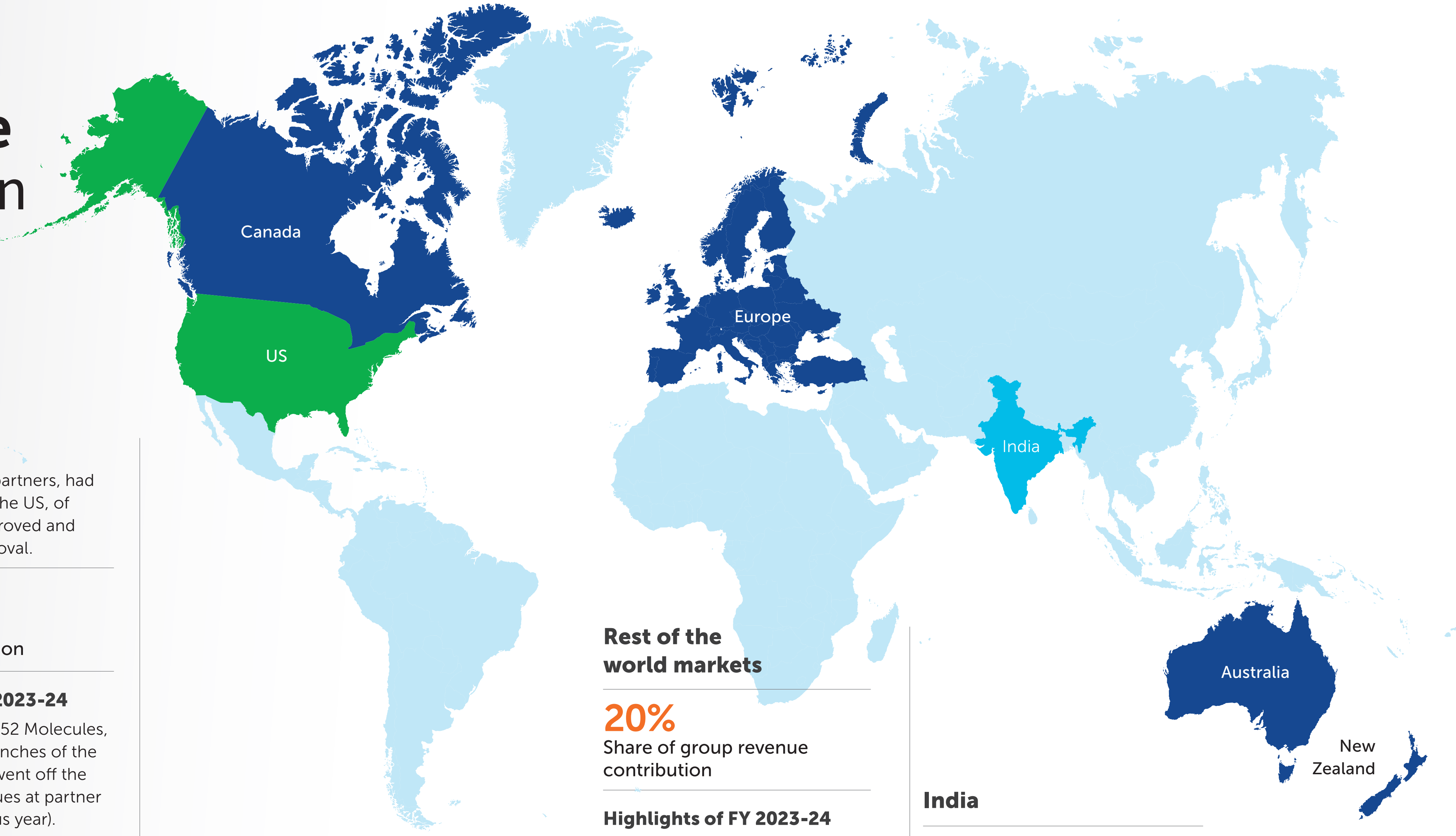
Date: May 22, 2024

Geographic presence

Enhancing presence with global expansion

We demonstrated a firm resolve to expand our global footprint through strategic and sustainable growth initiatives. We are focused on reinforcing our market leadership in key regions, including the US, Europe, Canada, Australia, New Zealand and India, and building upon the strong footholds we already established. Simultaneously, we are exploring new territories to solidify our international presence and drive long-term success.

We expanded our presence in territories such as Saudi Arabia, Thailand, Brazil, Mexico, Chile and Colombia where our products have been met with enthusiasm. We are actively reassessing our approach and identifying strategies to achieve more significant success in China, a vast market with considerable potential.



US market

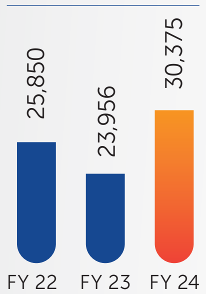
We, along with our partners, had 349 ANDA filings in the US, of which 286 were approved and 63 are pending approval.

54%
Share of group revenue contribution

Highlights of FY 2023-24

- 89 product SKUs (52 Molecules, including 31 relaunches of the products, which went off the market due to issues at partner end in the previous year).
- Launched key molecules in the market, including Octreotide Acetate, Ketamine, Zinc Sulfate, and Levothyroxine Sodium.
- Experienced an increase in volume for key products like Ketorolac Tromethamine, Rocuronium, Enoxaparin Sodium, and Carboplatin.

Revenue
(₹ In Mn)



Europe and other core markets
(Canada, Australia and New Zealand)

22%
Share of group revenue contribution

Highlights of FY 2023-24

- We persist in expanding our presence in new geographies while simultaneously strengthening our market share in existing countries.
- Revenue contribution of Europe increased due to acquisition of Cenexi
- Completed acquisition and integration of Cenexi

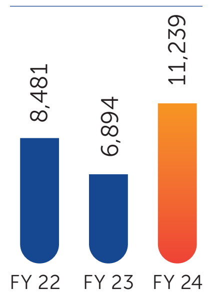
Rest of the world markets

20%
Share of group revenue contribution

Highlights of FY 2023-24

- Positive traction observed for certain products in target markets, signaling promising growth prospects over the next 2-3 years.
- Progress slower than anticipated, with only three out of nine filed products approved and limited commercial contribution from one product in China.

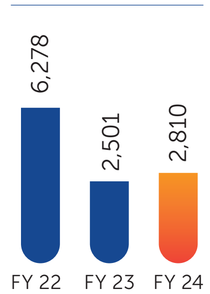
Revenue
(₹ In Mn)



India

5%
Share of group revenue contribution

Revenue
(₹ In Mn)



Megatrends

Transforming opportunities into tangible outcomes

We adeptly navigate a multifaceted environment characterised by technological advancements, price volatility, drug shortages in key markets, and evolving regulatory landscapes, ensuring our operations remain resilient. Our commendable position in the CDMO sector further enhances our growth prospects. As a leading global pharmaceutical company, we maintain agility in identifying key trends and formulating strategic interventions, transforming these opportunities into tangible outcomes.

Injectable prices erosion at a slower rate

Price erosion in the pharmaceutical industry, particularly in the generics market, is a significant concern. Generic drugs are crucial in reducing medication costs, offering significantly lower prices than brand-name counterparts in oral solids and injectables. Their prices steadily decline over subsequent years, contributing to overall affordability in healthcare. Industry reports indicate notable price improvements for complex generics like injectables, which have seen a surge of approximately 5% on a trailing twelve-month (TTM) basis, contrasting with price erosion in Calendar Year (CY) 2022. This surge is primarily driven by drug shortages and plant remediation issues, highlighting the intricate dynamics influencing pricing trends in the pharmaceutical industry.

Drug shortages in the US

The US administration is tackling the widespread shortage of crucial medications, including those vital for cancer care, through an ambitious multibillion-dollar initiative. This strategy involves hospitals paying premium prices for assured access to top-quality drugs and redefining drug procurement standards. With an estimated investment of USD 5.11 billion over ten years, the plan aims to incentivise the market to ensure a consistent and high-quality drug supply across the US. Additionally, proposed incentives for small hospitals to maintain a six-month buffer stock of essential medicines further enhance the initiative.

A major cause of the current drug scarcity stems from the product quality issues, rare drugs which are economically non-viable to manufacture, fierce competition and financial instability among manufacturers of older generic drugs, particularly injectables.

Unless the underlying economic issues and contracting practices within the generic drug sector are addressed, these shortages will adversely affect more patients, hampering global public health efforts.

Competition intensity

In recent years, price erosion within the US generics market has primarily stemmed from rising volumes and heightened competition from India and China. The growth in volume from India seems widespread, with many players experiencing increased demand.

While Chinese pharmaceutical companies faced challenges in the past, some are now making significant strides and scaling up effectively. As new entrants continue to join the market and product launches proliferate, competition remains intense, keeping the landscape fiercely competitive.

New products going off-patent

Numerous pharmaceutical products will soon lose patent protection, offering a prime opportunity for generic drug manufacturers. Patent expiration allows generics to enter the market, fostering competition and driving down consumer prices. Yet, beyond cost savings, it fuels innovation as companies strive to enhance existing drugs or discover new applications. Overall, the upcoming patent expirations are poised to catalyse substantial changes and opportunities in the pharmaceutical sector, especially in the injectables space.

Smaller and larger pharmaceutical companies continue to outsource to save costs

Outsourcing decisions hinge on two pivotal factors: cost savings and streamlined execution. Smaller pharmaceutical firms lack the resources to build manufacturing capacity, while larger counterparts may opt to divest lower-margin businesses to enhance profitability. Partnering with experienced Contract Development and Manufacturing Organisations (CDMOs) offers the advantage of quicker execution and technical expertise. However, this strategic choice often entails surrendering some control over the production process.

Recent industry events have sparked renewed excitement in the sector. This enthusiasm is driven by the anticipated supply shortfall in biologics production compared to their outsized demand in the midterm (around 2 to 4 years). Additionally, the space has renewed interest due to current geopolitical developments and recent M&A activity. India stands to benefit from the emerging CDMO opportunities.

India has an advantageous position

India's standing in the CDMO space is commendable, driven by factors like enhanced compliance, robust investments in capabilities, cost competitiveness, and strong industry reputation. We assert that integrated players, offering end-to-end services from discovery to commercial manufacturing, will have an edge in this landscape in the medium to long term.

Strategic priorities

Shaping our success through a strategic blueprint

We are delivering value through well-defined priorities, fostering consistent progress and growth. By maintaining a close connection to the evolving dynamics of our environment, we implement strategies that maximise value for our stakeholders. Harnessing key initiatives, including sustained focus on geographic expansion, the establishment of a biologics and high-end CDMO, ESG integration, and the advancement of our portfolio development, we are ensuring our long-term success.

Our strategies take us ahead

S1 Driving geographic expansion

We are expanding into emerging markets to diversify our revenue base while ensuring healthy profitability.

In the US, our focus is on developing complex products. To enhance our offerings in this market, we prioritise in-licensing opportunities and strategic partnerships for product development.

Our European footprint through Cenexi provides us with a strategic advantage. We will leverage our synergies to maximise our opportunities in the European market.

In the rest of the world (RoW), we prioritise maximising US-approved products. By strategically targeting markets where these products have the greatest potential, we aim to expand our presence and drive growth in regions beyond the US and Europe.

S2 Advancing portfolio development

We are expanding our development and manufacturing capabilities in complex injectables, including peptides, long-acting injectables, suspensions, and hormonal products.

In-Licensing

We actively seek opportunities to license innovative products and technologies from external sources. By strategically acquiring licenses, we can expand our product portfolio and access new markets more efficiently.

Complex Development

We specialise in developing complex pharmaceutical products that require advanced manufacturing processes and technology. This focus allows us to address unmet medical needs and differentiate ourselves in the market.

Co-Development

Collaboration is integral to our approach. We partner with other companies, research institutions, and organisations to co-develop new therapies and solutions. By pooling resources and expertise, we accelerate the development process and bring innovative products to market faster.

S3 Establishing biologics CDMO

We are actively developing capabilities in Contract Development and Manufacturing Organisation (CDMO) services for biologics and other high-end modalities. Additionally, we are exploring collaboration opportunities with established market players.

We are focused on biologics, high-end complex fill-finish processes, and developing new dosage formats including pens and cartridges. By concentrating on these areas, we aim to meet the growing demand for innovative products and enhance our capabilities in the rapidly evolving biologics market.

S4 Elevating our Environmental, Social, and Governance (ESG) Integration

Environmental responsibility

We are committed to reducing our environmental impact by implementing sustainable practices, including carbon emission reduction, waste minimisation, and water conservation. Through investments in renewable energy, transportation optimisation, and circular economy principles, we aim to mitigate environmental risks and contribute to a healthier planet.

Social Accountability

We prioritise social responsibility by fostering a diverse and inclusive workplace, ensuring employee health, safety, and well-being. We drive impact-led community initiatives to uplift the quality of life of people around our operating locations.

Governance Excellence

We uphold high standards of corporate governance and ethical business practices through transparent decision-making, diverse and independent board representation, and integration of ESG considerations into risk management and operating frameworks.

Business model

Enhancing value through a meticulous approach

We thrive on an execution-oriented approach deeply embedded in our value-creation framework. As we craft our strategies, we stay committed to prioritising the interests of our diverse stakeholders. This approach fosters sustainable growth and facilitates collective progress for all, highlighting our dedication to long-term value creation.

Inputs

Financial Capital
- Net worth: ₹87,238 Mn
- Total equity: ₹165 Mn

Manufactured Capital
- Number of formulation plants: 8*
- Number of API plants: 3
- Gross block: ₹45,691 Mn

*4 plants located in India and 4 in Europe

Innovation Capital
- Total R&D expenditure: ₹1,774 Mn
- Number of people in R&D team: ~276
- Number of employees in quality control and assurance team: 1,473

Human Capital
- Total number of employees: 4,200+
- New recruits: 637
- Amount spent on employee benefits*: ₹56 Mn

*Health Insurance and Maternity Benefit

Social and Relationship Capital
- Total number of shareholders: 1,22,375
- Total amount spent on CSR activities: ₹267 Mn

Natural Capital
- Total energy consumed: 92 GWh
- Water consumption: 541,025 Kilo Litres

Value creation process

Product development approach
Patient needs | Product development | Product filing and approvals

Therapeutic areas
- Anti-diabetic
- Anti-infectives
- Anti-malarials
- Antineoplastics (Oncology)
- Blood-related
- Cardiac
- Gastro-intestinal
- Hormones
- Neurological and Central Nervous System
- Ophthalmics and Otologicals
- Pain, neuro-muscular blocking agents & analgesics
- Respiratory
- Vitamins, minerals & nutrients

Core strengths
- Strong quality assurance & quality control
- Diversified product portfolio
- Compliance track record
- Vertically integrated
- Economies of scale

Delivery platforms
- Liquid vials
- Lyophilised vials
- Pre-filled syringes
- Ampoules
- Bags
- Drops
- Pens
- Cartridges

Sales
B2B (Global)
- B2B - IP led Own Filing Partner Filing
- B2B - Tech Transfer
- B2B CMO

B2C
- Direct sale of products to corporate hospitals, nursing homes & government facilities

Manufacturing and supply chain
API manufacturing | Formulation | Distribution

Output

Financial Capital
- Total revenue: ₹56,647 Mn
- EBITDA: ₹13,331 Mn
- EBITDA margin: 24%
- PAT: ₹7,725 Mn
- PAT margin: 14%

SDG impacted: 8 Decent work and economic growth

Manufactured Capital
- Therapeutic areas: 15+
- Products SKUs launched: 89+

SDG impacted: 12 Responsible consumption and production

Innovation Capital
- Number of ANDAs filed: 19
- Number of ANDAs approved: 24
- Number of DMFs filed: 2
- Product registrations globally: 1,667

SDG impacted: 9 Industry, innovation and infrastructure

Human Capital
- Total training hours: 61,560 hrs
- Number of employees trained: 684
- Employee retention rate: 76%
- Diversity ratio: 87:13

SDG impacted: 3 Good health and well-being; 10 Reduced inequalities

Social and Relationship Capital
- Number of CSR projects conducted: 15
- Number of students benefitted: 51,000+

SDG impacted: 3 Good health and well-being; 4 Quality education; 8 Decent work and economic growth; 11 Sustainable cities and communities; 15 Life on land

Natural Capital
- Energy conserved: 1%
- Water recycled: 169,747 KL

SDG impacted: 12 Responsible consumption and production

Creating value for stakeholders

Investors and Promoters
We are delivering profitable and sustainable returns, ensuring long-term value creation.

B2B (Pharma Companies, Marketing Partners) and B2C (Hospitals, Distributors & Government Facilities)
We offer a diverse product portfolio complemented by advanced research and development, supported by a strong product pipeline. Additionally, we contribute to elevating patient health, globally.

Business Partners (Vendors, Suppliers, Bankers)
We foster long-term relationships based on trust, transparency, and mutual benefit, ensuring the growth and success of our partners through fair dealings, timely payments, and collaborative strategies.

Employees
Our organisational focus lies in establishing a diverse and inclusive workplace, fostering continuous learning and development, enhancing workforce competitiveness through skill development, and prioritising employee well-being to boost productivity.

Communities
We are empowering communities, driving meaningful societal change, optimising natural resource usage, minimising environmental footprint, and advocating for circular economy practices.

Government and Regulatory Bodies
We contribute to the exchequer by generating employment opportunities and fostering economic growth. Additionally, we ensure adherence to stringent regulatory parameters, aligning with global compliance frameworks.

Stakeholder engagement

Amplifying stakeholder centricity for the greater good

We harness a business ethos centred on stakeholder engagement, amplifying our operational prowess. We firmly believe that continuous dialogue with our stakeholders is the mainstay in refining our business acumen, enriching our collective knowledge, and fostering robust social and relational networks. Moreover, this collaborative spirit consolidates our standing and sharpens our competitive edge in the industry.

Our stakeholder engagement model is based on the following principles

Transparency
We fully comply with public disclosure laws and regulations and our Company policies and decision-making committee details are available on our website.

Inclusivity
We actively involve stakeholders from diverse backgrounds and perspectives in our decision-making processes, considering their input and feedback to inform our actions.

Accountability
We must take responsibility for our actions and commitments to stakeholders, ensure that we deliver on our promises, and uphold ethical standards in all our interactions.

Responsiveness
Being proactive and timely in addressing stakeholder concerns, feedback, and inquiries, demonstrating our commitment to listening and acting upon their input.

Continuous Improvement
We regularly evaluate and refine our stakeholder engagement practices to ensure they remain effective, relevant, and responsive to evolving needs and expectations.

Sustainability
We integrate environmental, social, and governance (ESG) considerations into our stakeholder engagement efforts, aligning our actions with long-term sustainability goals and societal expectations.

Government and regulatory bodies

Ensuring compliance, interpretation of regulations, and responsible conduct

Stakeholder priorities
- Adherence to industry standards and best practices
- Compliance with laws and regulations
- Transparent disclosure of business activities
- Contribution to employment generation and workforce development

Engagement platforms
- Annual and quarterly compliance reports
- Regular issue-specific meetings
- Website and press releases
- Financial and statutory reports

Our response
- Adherence to Government rules and regulations and pays taxes and duties in a timely manner
- Create direct and indirect job opportunities
- Adherence to quality and compliance protocols
- Maintain a robust quality and compliance audit mechanism

Capitals impacted: Financial, Social and Relationship

B2B (Pharma companies, marketing partners)

Building efficiently to reach end-users through our diverse customer base

Stakeholder priorities
- On-time supply of products
- Compliance with quality standards
- Competitive pricing
- Introduction of new products

Engagement platforms
- Customer-specific operational meetings
- Business support
- Industry networks
- Regular visits and meetings
- Customer satisfaction surveys

Our response
- Committed to offering a range of high-quality products offering
- Well-trained team who are committed to customer and partner centricity

Capitals impacted: Innovation, Social and Relationship

B2C (Serving corporate hospitals, nursing homes and government facilities)

Building seamless distribution and supply of medicines to end-users

Stakeholder priorities
- Quality service and on-time delivery to our partners
- Ethical and accurate information sharing

Engagement platforms
- Regular participation
- Partner satisfaction surveys
- Supplier audits

Our response
- Enhance access through a robust manufacturing network
- High-quality manufacturing, sourcing, and compliance standards
- Innovation to deliver on health and wellness across therapeutic segments

Capitals impacted: Innovation, Social and Relationship

Stakeholder engagement

Business Partners (Vendors, Suppliers, Bankers)

Creating brand awareness, building reputation, and ensuring efficient product delivery

Stakeholder priorities
- Fair price and transparent transaction
- Mutually beneficial relationships
- On-time payments
- Long-lasting relationship

Engagement platforms
- Structured meetings
- Supplier audits and visits
- Emails and meetings

Our response
- Ensure knowledge sharing
- Timely settlement of payments
- Maintaining effective relationship

Capitals impacted: Financial, Social and Relationship, Manufacturing

Employees

Creating a progressive work environment

Stakeholder priorities
- Positive and energetic work environment
- Job satisfaction and motivation
- Training and personal development
- Health and safety at work
- Employee welfare

Engagement platforms
- Training and development programmes
- Employee engagement
- Grievance redressal mechanism
- Regular updates through internal communication
- Performance reviews

Our response
- Reinforce corporate culture towards highlighting care and concern for employees
- Provide extensive financial and non-financial benefits
- Substantial training exposure, talent management, and retention programmes
- Offer special promotions for staff and reward schemes

Capitals impacted: Human, Financial

Investors and Promoters (Domestic and International)

Ensuring sustainable returns through dividend and wealth appreciation

Stakeholder priorities
- Consistent growth of revenue and profitability
- Significant return on investments
- Effective risk management
- Dividend payouts
- Ethical corporate conduct and good governance
- Agility to adapt to macroeconomic changes

Engagement platforms
- Annual general meetings (AGMs)
- Quarterly investor presentations
- Direct or indirect mode of engagement with investors through meetings
- Timely dissemination of the information through websites and stock exchanges
- Press releases

Our response
- Committed to sustaining robust business growth over the long term
- Well-laid dividend policy
- Implement strategic and operational plans that can support growth targets
- Maintaining transparency and good governance, including sound risk management strategies
- Communicate material information timely and accurately to shareholders

Capitals impacted: Financial, Social and Relationship

Community

Contributing to the communities that we serve

Stakeholder priorities
- Access to healthcare
- Improvement in quality of life
- Livelihood generation

Engagement platforms
- CSR projects
- Partnerships with NGOs

Our response
- Creating direct and indirect job opportunities and economic growth prospects in all areas where the sales network operates
- Impact-led CSR initiatives are undertaken to serve the communities we operate in

Capitals impacted: Financial, Social and Relationship, Natural

Financial capital

Driving growth with financial excellence

We are committed to enhancing stakeholders' value through the strategic allocation and management of our financial capital. Our decisions on capacity expansion, market growth, and investments in R&D are driven by a robust capital allocation policy. Moreover, our free cash flow and strong balance sheet signify our financial stability and organisational resilience.

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

Strategies impacted

- **S1** Driving geographic expansion
- **S2** Advancing portfolio development
- **S3** Establishing bio-similar CDMO
- **S4** Elevating ESG integration

Impact of financial capital on other capitals

Manufactured
Increasing allocation of capital to expand operations in our manufacturing facilities.

Innovation
Enhancing research and development capabilities and funding for the development and in-licensing of new products.

Human
Enhancing workforce remuneration and increasing efforts in hiring, training, and retaining skilled personnel.

Natural
Funding for initiatives geared towards achieving environmental and climate change objectives.

Social
Increasing investment in corporate CSR initiatives within communities.

Relationship
Engaging with various stakeholders including dealers and suppliers.

Our revenue model

Our core business model revolves around B2B operations, including IP-led, technology transfer and contract manufacturing, alongside a B2C model tailored for the Indian market.

B2B model

We utilise our diverse B2B models to achieve several objectives:

- Expand market share in key regions like the US, Europe, Canada, Australia and RoW notably in the United States, while minimising marketing expenses.
- Harness the reputation of our marketing partners in their respective markets to enhance our presence.
- Establish ourselves as a reputable manufacturer of complex injectables with a strong compliance record, earning trust from potential partners.
- Balance profitability and capacity utilisation, ensuring high manufacturing and quality standards for a wide customer base.

Our primary B2B model focuses on IP-led marketing for our product portfolio. Through long-term agreements with leading pharmaceutical companies, we receive licensing fees and milestone payments tied to product development stages. Upon commercialisation, we earn revenue per unit dose and may also receive profit shares or royalties.

Financial capital

Depending on the agreement terms, we either retain ownership of the dossier, intellectual property, and marketing rights or share ownership with our partners. By jointly preparing regulatory filings, we expedite product approval, enabling faster market entry post-patent expiry.

In our B2B CMO model, tailored for the Indian market, we offer fill and finish services for aseptically or terminally sterilised injectables to other pharmaceutical firms for their approved products. Through loan and license agreements, we receive payments for manufacturing and packaging per unit produced. Under this arrangement, our customers maintain ownership of the relevant dossier, development, intellectual property, and marketing rights while we retain manufacturing rights throughout the agreement term.

B2C model

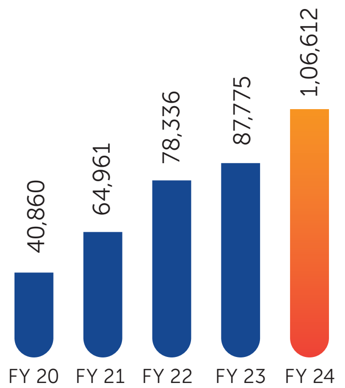
We exclusively conduct direct marketing operations in India, capitalising on our brands' strength in this market to emphasise our commitment to injectables. With the majority of our product pipeline under our ownership, we have the flexibility to enhance our direct sales platform in India.

In March 31, 2024, our sales team comprised over 66 employees, supported by an extensive nationwide distribution network, ensuring presence in around 4,000 corporate hospitals, nursing homes, and government facilities.

Balance sheet parameters

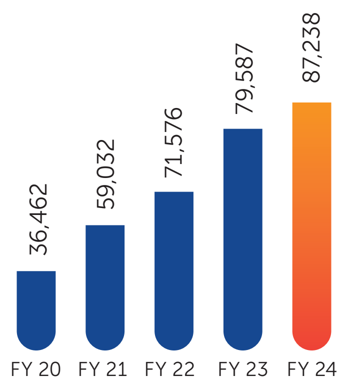
Total assets

(₹ In Mn)



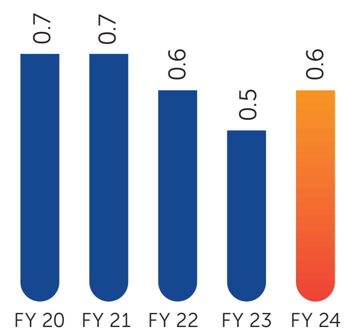
Net worth

(₹ In Mn)



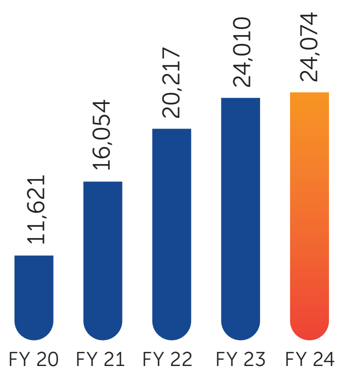
Asset turnover ratio

(x)



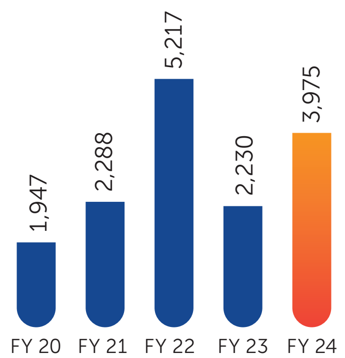
Net working capital

(₹ In Mn)



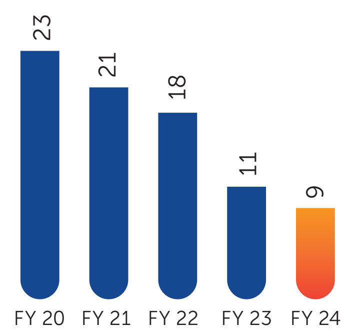
Capital expenditure

(₹ In Mn)



ROCE

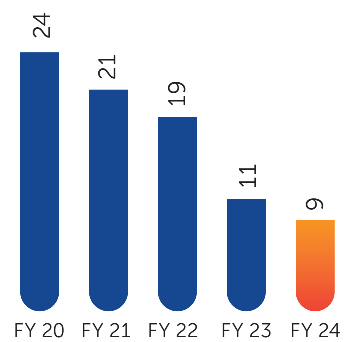
(%)



Our focus is on diversifying revenue streams and allocating investments wisely for growth objectives, which has allowed us to sustain a value-enhancing business model. We prioritised increasing investments in research and development while ensuring sufficient inventory levels to maintain supply consistency. Additionally, our B2B model has facilitated the acquisition of substantial orders, ensured stable cash flow, and enhanced our credibility in the pharmaceutical sector. This approach has enabled us to achieve cost efficiencies, improve operating profits, and reduce working capital requirements through effective inventory management.

RONW

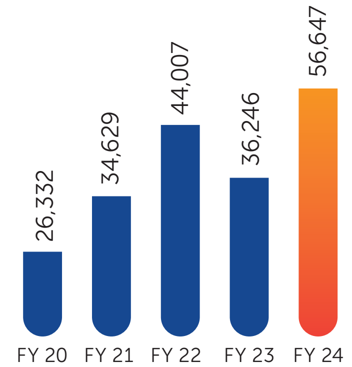
(%)



Profit and loss parameters

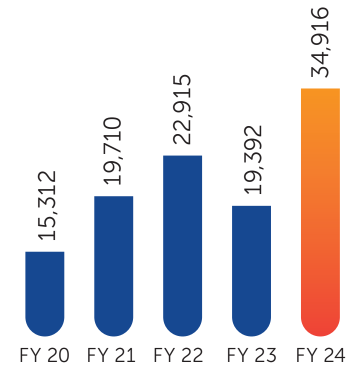
Income from operations

(₹ In Mn)



Gross profit

(₹ In Mn)

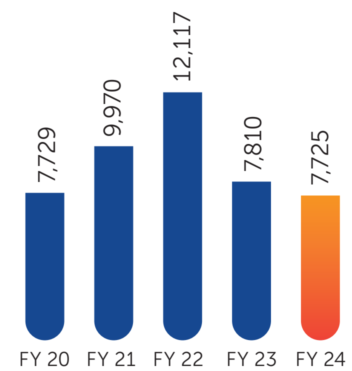


EBITDA

(₹ In Mn)

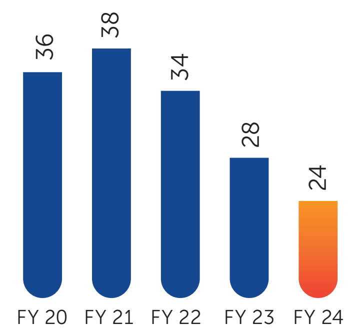
PAT

(₹ In Mn)



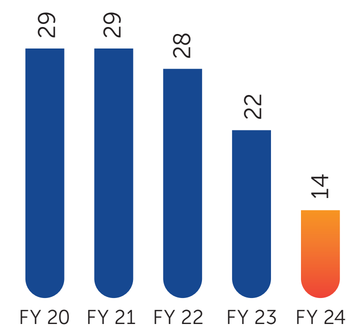
EBITDA margin

(%)



PAT margin

(%)



Financial capital

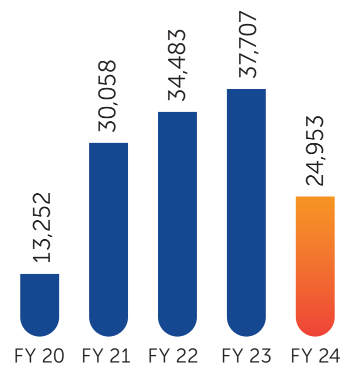
Cash flow analysis (Consolidated)

Our cash flow from operations saw a growth of 174% year-on-year, showcasing our robust financial performance. In alignment with our expanding opportunities, our cash utilised for investments also saw a notable growth of 245% year-on-year. This emphasises our dedication to capitalising on growth prospects and strategically allocating resources to drive our future success.

A critical component of our financial strategy involves prudent cash flow management. Instead of solely relying on external debt or equity, we have effectively utilised our cash flow to propel key initiatives forward. This encompasses capacity expansion, new product development, and investments in research and development and innovation. By leveraging our internal cash resources, we maintain a solid financial foundation and strengthen our capacity to deliver sustainable growth and value to our stakeholders.

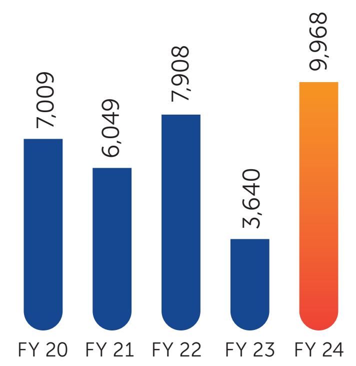
Cash and bank balances

(₹ In Mn)



Cash flow from operations

(₹ In Mn)



Capital expenditure

The total capital expenditure (Capex) incurred for FY 2023-24 amounted to ₹ 3,975 million. This investment underscores our commitment to enhancing our operational capabilities and driving future growth. Notably, this figure includes a substantial capex of ₹ 1,607 million specifically allocated to our newly acquired international entity, Cenexi. This strategic expenditure at Cenexi is aimed at upgrading facilities, expanding production capacities, and ensuring compliance with global standards, thereby positioning us for long-term success in the international market.

Manufactured capital

Leading through unmatched manufacturing prowess

We have seven world-class manufacturing facilities in India and four from Cenexi, enhancing our production flexibility and ensuring consistent, high-quality products. Our compliance track record establishes us as a reliable manufacturer of injectables across the globe. The remarkable flexibility of our formulation facilities allows us to adapt to diverse product requirements. Additionally, our in-house API manufacturing capability strengthens our vertical integration, addressing the challenges of sourcing strategic APIs.

SDGs impacted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Strategies impacted

- S1 **Driving geographic expansion**
- S2 **Advancing portfolio development**
- S3 **Establishing bio-similar CDMO**
- S4 **Elevating ESG integration**

Impact of manufactured capital on other capitals

Financial
Sustaining production for revenue generation.

Innovation
Driving R&D for new products across therapies.

Human
Employing and training personnel in technical and non-technical domains.

Natural
Utilising resources like land, water, fuel and raw materials.

Social
Enhancing community relations around our plants.

Relationship
Strengthening relationships with partners and customers with reliable product supply.

Vertically integrated injectables manufacturing capabilities

Our specialised API and formulation manufacturing facilities are equipped with advanced technologies, specialised equipment, and efficient production lines. We maintain a focus on quality and regulatory compliance, ensuring adherence to strict standards across all manufacturing locations. Through vertical integration, we attain greater control over our supply chain, enhancing operating efficiencies, accelerating product development, and strengthening quality control while improving efficiencies. We are manufacturing products on a larger scale, which enables us to reduce our average cost per unit, driving cost-efficiency across our operations. Adhering to stringent quality standards is paramount at every stage of our operations. This guarantees the safety, efficacy, and reliability of our products. This commitment not only strengthens our brand reputation but also fosters customer loyalty.

To meet the increasing demand for complex injectables, including peptides, long-acting formulations, suspensions, and hormonal medicines, we are expanding our manufacturing capacity. Our flexible and scalable production lines enable us to diversify our product portfolio without major changes to existing processes.

We have a strong track record of inspections across all our facilities since inception. We are actively exploring opportunities to expand our capacity, both in scale and scope, to meet market demands and drive sustainable growth.

Manufactured capital

Manufacturing diversified products

Our diverse expertise allows us to manufacture a broad spectrum of dosage formulations, ranging from solutions and suspensions to lyophilised products. Furthermore, our product portfolio encompasses a variety of delivery methods, including pre-filled syringes, vials, ampoules, bags, and dry powder injections. Leveraging our injectable product technologies, we specialise in developing and manufacturing generic injectables in liquid, lyophilised, suspension, and pre-filled syringe forms.

Through the utilisation of advanced procedures, we excel in the synthesis of complex drug molecules, including Low Molecular Weight Heparins, steroids, and cytotoxics. Along with our focus on new products, we are committed to improving our cost-competitiveness across operations.

Formulation facilities

3 Hyderabad, India

1 Visakhapatnam, India

API facilities

1 Hyderabad, India

2 Visakhapatnam, India

Consistent regulatory compliance track record

Our consistent compliance track record spans a range of regulatory regimes across the United States, Europe, Canada, Australia, India, and the rest of the world. We adhere to ethical practices to fulfill our commitment to regulatory compliance and ensure patient safety. This dedication has not only enhanced our brand reputation but also strengthened our investment proposition.

Accreditations from regulatory bodies

Our facilities hold accreditation from the following regulatory bodies:

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

Showcasing our manufacturing capabilities

4
World-class manufacturing facilities

1,000 Mn units*
Finished Formulation capacity

*Per year

28
Production lines

Approach to business

We have demonstrated success in operating a B2B model with industry leaders, complemented by a robust B2C model in the Indian market, leveraging our brand reputation and extensive partner network.

	B2B – IP Led		B2B Tech Transfer	B2B CMO	B2C
	Own Filing	Partner Filing			
Overview	• Out-licence to marketing partners • Long-term product supply contracts		• Co-development with partner • Manufacturing by Gland	• Fill and finish service • Loan and licence agreements	• Direct marketing of products
Revenue Model	• Licence and milestone payments • Selling price per unit dose + Profit share		• Tech transfer fee • Selling price per unit dose + Royalties	• Fixed per unit price	• Direct sale of products
ANDA Ownership	✓	✗	✗	✗	✓
Development	✓	✓	✓	✗	✓
IP Ownership	✓	Co-owned	✗	✗	✓
Marketing Rights	✓	✗	✗	✗	✓
Royalty/Profit Sharing	✓	✓	✓	✗	NA
Select Clients/ Partners	Global Pharma Companies			Indian Pharma Companies	~2,000 corporate hospitals, nursing homes, and government facilities
Advantages of B2B models	Grow market share while reducing marketing investments		Leverage reputation of marketing partners	Build a reputation as a complex injectables manufacturer with compliance record	Drive profitability with higher capacity utilisation

Our state-of-the-art formulation production facilities specialise in manufacturing various types of injectables through aseptic filling or terminal sterilisation processes. Designed to accommodate evolving product specifications and the dynamic demands of diverse customers, these facilities uphold the highest standards of quality while offering flexibility throughout the manufacturing process.

In India, we operate four formulation manufacturing facilities, each equipped to deliver excellence in pharmaceutical production.

Manufactured capital

Formulation capacities at a glance

Pashamylaram
Hyderabad, India

Our sterile injectable facility commenced operations in July 2015 and received USFDA approval in April 2016, subsequently entering the US market in September 2016. Since then, this facility has significantly strengthened our manufacturing capacity, nearly doubling our output. Here are the key capabilities:

4 vial lines for liquid filling
220 Mn units/year

3 vial lines with 7 lyophilisers
134 Mn lyo units/year

2 ampoule lines
120 Mn units/year

2 Pre-Filled Syringes (PFS) lines
40 Mn units/year

Penems
Hyderabad, India

Our manufacturing facility in Penems, Hyderabad, marked a significant milestone when we filed our first ANDA in September 2013, subsequently receiving USFDA approval in April 2016. Here are the key capabilities of this facility:

Liquid vial line with two lyophilisers
8 Mn units/year

Dry powder line
4 Mn units/year

Oncology Facility
SEZ Visakhapatnam, India

Our oncology facility, having obtained USFDA and GMP (EU) approvals in 2014, initiated sales in Europe in 2015 and the United States in 2016. Here are the primary capabilities of this facility:

3 vial lines with 4 lyophilisers

11 Mn units/year

5 Mn lyo units/year

API capacities at a glance

Our Active Pharmaceutical Ingredients (API) manufacturing facilities operate within a vertically integrated business model, affording us greater control over the supply chain, ensuring API quality, and achieving cost efficiency. Our in-house API manufacturing expertise has supported us in developing several vertically integrated ANDAs.

Our three in-house API manufacturing facilities also provide us with backward integration capabilities:

- 2 API facilities located in Visakhapatnam, India
- 1 Biotech Drug Substance Facility located in Genome Valley, Hyderabad, India

API facilities

3
World-class manufacturing facilities

43
ANDAs supported by in-house APIs

Manufactured capital

API capacities at a glance

Our capacity to produce our API strengthens our vertical integration strategy, especially for APIs that are challenging to source. This capability empowers us to pursue product development in areas that other companies may overlook due to uncertainties surrounding API supply. All three of our API manufacturing facilities are USFDA-approved.

Given our reliance on efficient supply chain management, our primary objective is to minimise supply chain costs through various strategies. We achieve this by maintaining optimal inventory levels, utilising economic order quantities, and implementing other cost-saving measures. For instance, our quality assurance and control team actively contribute to product lifecycle management, enhancing manufacturing efficiencies. Additionally, we prioritise timely filings of Changes Being Effected (CBE) and Prior Approval Supplement (PAS) applications for alternative, cost-effective APIs and components, as well as modifications in batch sizes and equipment qualifications to optimise yields.

Effective inventory control plays a pivotal role in maximising our overall profitability. To this end, we employ our ERP software for streamlined inventory management.

JNPC

Visakhapatnam, India

- API production facility
- USFDA (US), DMA (Denmark)
- API capacity: **3,073 Kg**

Genome Valley

Hyderabad, India

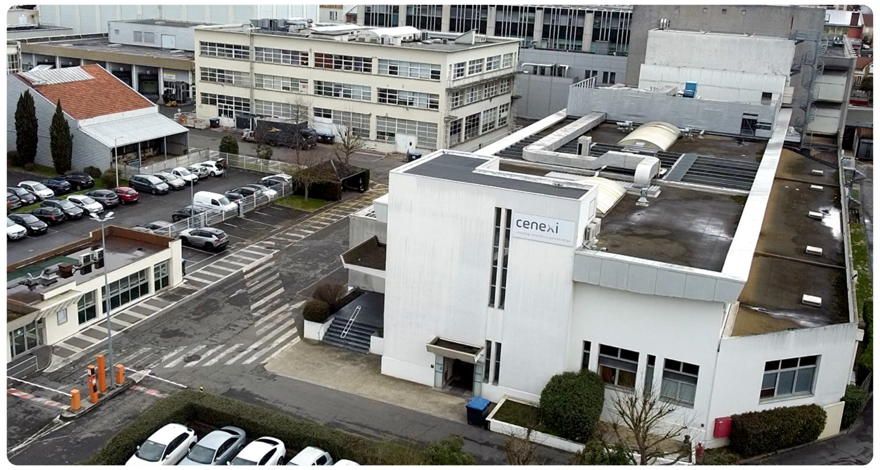
- Biotech Drug Substance facility for Biologics and Biosimilars

Duvvada

Visakhapatnam, India

- API production facility
- API capacity: **8,663 Kg**

Cenexi: Strengthening our contract development and manufacturing organisation (CDMO) aspirations



The acquisition of Cenexi marks a significant milestone as our inaugural overseas manufacturing foray, aligning seamlessly with our strategic roadmap to broaden our CDMO offerings for the Global market. This strategic move underscores our commitment to establishing a European manufacturing facility tailored for sterile injectables. With this acquisition, we gain access to advanced expertise and development capabilities in sterile formulations, encompassing vials and pre-filled syringes, as well as pioneering technologies like ophthalmic gels, needleless injectors, and hormonal products. Moreover, it fortifies our foothold in the branded CDMO sector and augments our presence in biologics.

Since its inception in 2004, the Cenexi Group has emerged as a prominent player in the pharmaceutical industry, specialising as a CDMO. Renowned for its formulation, development, manufacturing, and filling capabilities, Cenexi serves as a trusted subcontractor for pharmaceutical companies worldwide.

With four FDA-approved manufacturing facilities across Europe (three in France and one in Belgium), Cenexi commands a strong presence in the pharmaceutical landscape. Currently, approximately 70% of its business stems from sterile and injectable products, a segment poised for further growth. Projections indicate a substantial rise, with injectables anticipated to contribute around 90% of the business over the long term. Notably, Cenexi boasts significant proficiency in processing specific substances such as hormones, controlled substances, and oncology medications.

Cenexi's expertise lies in manufacturing and developing products with significant therapeutic implications. Beyond its manufacturing prowess, Cenexi offers a holistic solution through its services capabilities, leveraging 100+ experts dedicated to formulation activities, analytical and galenical development, industrial transfer, and regulatory support. This ensures that products entrusted to Cenexi for manufacturing receive comprehensive expertise and support throughout the process.

Cenexi has cemented its position as the preferred and exclusive manufacturing partner for a majority of its clients, providing a seamless and dependable experience for the production of pharmaceutical products.

Scale and scope of Cenexi

4
Manufacturing sites across France and Belgium

70%
Revenue from sterile and injectable products

1,400
Employees

Production capacities

Cenexi boasts robust production capacities across various pharmaceutical forms, encompassing:

1. **Sterile liquids**
   Including both liquid and freeze-dried products packaged in vials, ampoules, and pre-filled syringes.
2. **Non-sterile liquids and pastes**
   Such as creams, ointments, syrups, lotions and drops.
3. **Solids**
   Including tablets, capsules, and sugar-coated tablets.

Manufactured capital

Groundwork at Cenexi is positively impacting business and operations

Operations, engineering, and projects

- Identified bottlenecks, production losses, and high-cost activities.
- Utilised real-time production data, Overall Equipment Effectiveness (OEE), and yield analysis to pinpoint problem areas.
- Shifted from reactive to proactive maintenance.
- Analysed failure rates and lead times to ensure the availability of critical spares.

Tech transfer and development

- Revised technical transfer packages to include detailed processes, specifications, and equipment information.
- Identified potential transfer risks, devised mitigation strategies, and monitored for deviations throughout the process.
- Continuously assessed and enhanced manufacturing processes to improve efficiency, yield, and reduce costs.

Business development and strategy

- Reviewed and negotiated contracts to optimise pricing and business terms.
- Concentrated on pursuing complex injectables, biologics, controlled-release, or niche opportunities.
- Collaborated with longstanding partners to explore opportunities for their new products.
- Restructured Customer Support/ Business Development to acquire new customers and better serve existing ones efficiently.

Path to profitability

- Developed a robust pricing strategy that balances market competitiveness with profit margins.
- Established strategic sourcing partnerships, leveraging bulk purchasing and exploring alternative suppliers to reduce raw material and supply costs.

Critical deliverables necessary to drive strong performance at Cenexi

Short-term priorities (0-6 months)

Capability buildout: Addressing critical gaps in expertise and experience; balancing internal talent with external recruitment needs

Establishing a robust process for enhanced operations: Enhance equipment utilisation and throughput (OEE, preventive maintenance, etc.); optimise production planning to minimise changeovers; expand utilisation levels (night shifts, weekend shifts) to alleviate backlog on high-demand lines.

Concluding Capex investments to address business challenges: Implement a phased Capex plan aligned with growth objectives and optimise preventive maintenance to minimise downtime.

Launching Operating cost(Opex) programmes for rapid improvements: Invest in targeted training programmes (equipment maintenance, lean techniques, etc.) to facilitate quick wins and operational efficiencies.

Mid-term priorities 6-12 months

Migrate to a leaner centralised corporate structure: Enhance decision-making efficiency, eliminate redundancies, increase agility, and promote a cohesive Cenexi culture.

Strengthen operational capabilities through targeted initiatives: Transfer select products to alternate production lines to optimise line loading, enhance flexibility, and minimise format changes; implement multi-skilling strategies to enhance workforce adaptability.

Harness cost and revenue synergies with Gland: Capitalise on synergies between the two entities to enhance profitability and market positioning; collaboratively analyse the combined customer base to identify opportunities for cross-selling.

Long-term priorities 12-24 months

New capacity implementation: Enhance batch size for high-demand products to minimise idle time; maximise the utilisation of Belgium's development capacity by attracting new injectables projects to the HSC Normandy site; continue expanding capacity to meet growing customer demand.

Establish future state organisational structure: Identify essential centres of excellence tailored to Cenexi's expertise (e.g., Quality Assurance, Process Development, Regulatory Affairs).

Pursue best-in-class operational performance: Embrace a Quality-by-Design (QbD) methodology and deploy real-time process monitoring for continuous improvement.

Manufactured capital

Well-positioned to capitalise on emerging opportunities

We are poised to amplify our CDMO offerings within the lucrative European market, representing an extensive opportunity estimated at approximately EUR 4 billion. Aligned with our vision, we are strategically positioning ourselves to establish a formidable manufacturing footprint specialising in sterile injectables across Europe.

With the acquisition, we gain access to cutting-edge technologies, including innovative solutions such as needleless injectors, ophthalmic gel formulations, and ointments and creams. This diversification not only enhances our service portfolio but also enhanced our competitive edge in meeting evolving market demands.

Moreover, this strategic move enables us to expand our customer base within the EU, encompassing a broader spectrum of clients, particularly those engaged in biologics. As we forge ahead, we are poised to extend our presence into the branded CDMO space, solidifying our position as a leader in pharmaceutical contract manufacturing both now and in the future.

Our assessment of the post-merger integration process is nearing its conclusion, revealing key areas where Cenexi would benefit from investments and substantial enhancements in operational efficiencies. We hold a strong level of confidence in Cenexi's existing client base and the enduring commitment of our partners for the long haul. Furthermore, in terms of expansion, we have a robust order book comprising new programmes that have been duly signed and are currently progressing through various stages of technological transfer and approval.

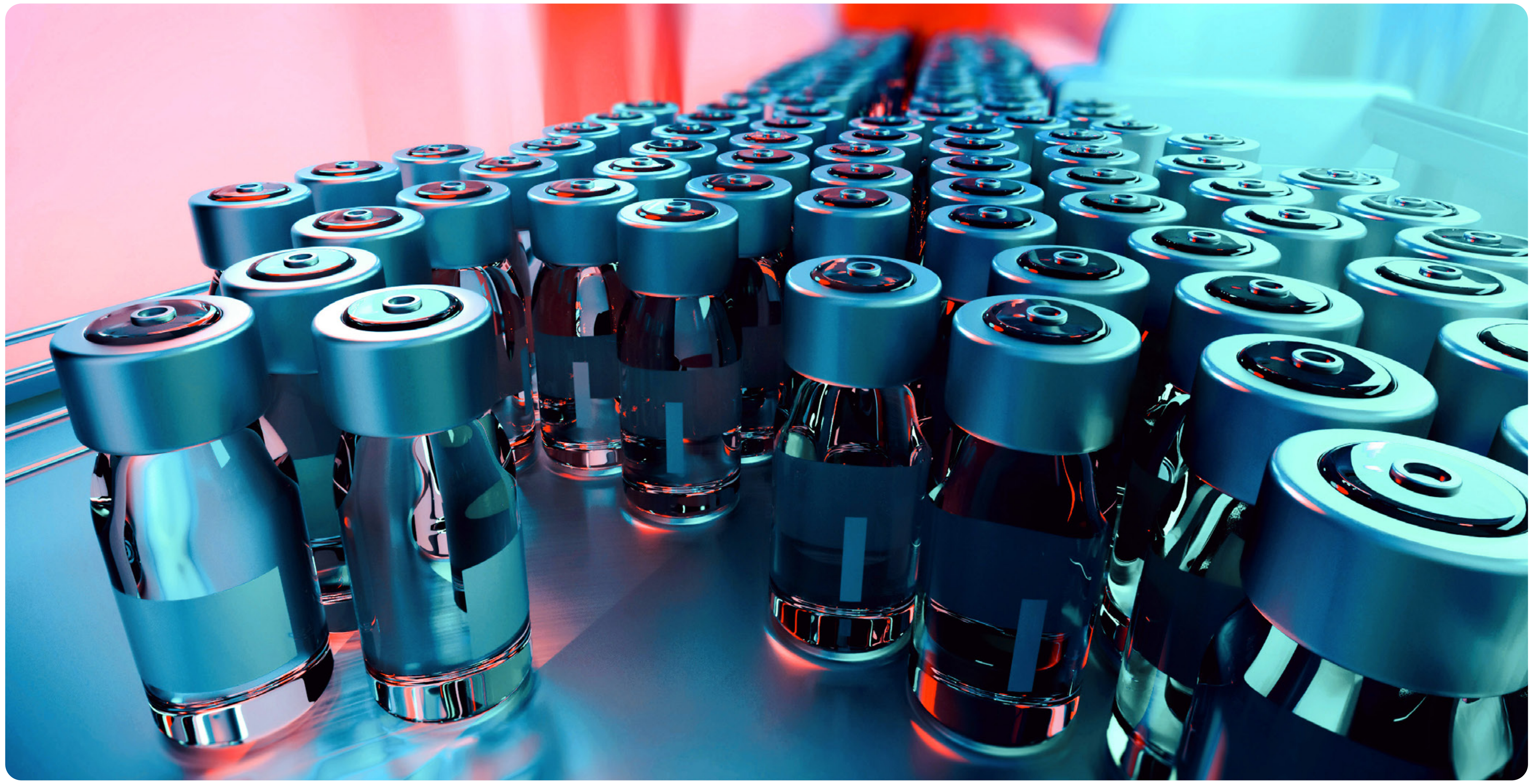
Product quality and safety

Ensuring top-notch quality is our foremost priority, and we meticulously adhere to the highest standards throughout the production process. Our steadfast commitment to compliance with cGMP regulations guarantees the efficacy and quality of our drugs. To enhance our quality control efforts, we employ a comprehensive three-pronged approach.

40+
Audits completed, including regulatory and partner audits

1,473
Employees are part of the quality assurance and quality control team, accounting for 35% of total employees

All sites
Are operating smoothly and have received the EIR



Consistent quality improvement

We have implemented laboratory information management system (LIMS) software across our manufacturing plants to enhance quality control processes. This system streamlines methods, fosters transparency of information, and enables scalability without requiring resource-intensive revalidation efforts. Moreover, our organisation diligently monitors key quality performance metrics and takes proactive measures to address concerns, respond to complaints, and rectify deviations and batch rejections. Continual improvement remains central to our ethos, facilitated by site-specific quality teams equipped with comprehensive training, collaborative tools, and transparent communication channels.

Corporate quality establishment

At the core of our quality assurance framework is a robust corporate reporting structure with clearly defined roles and responsibilities for developing standard operating procedures (SOPs). We prioritise quality by meticulously documenting proceedings and diligently following established procedures. During regulatory inspections, we diligently report findings and execute action plans to address any identified issues. Continuous improvement is ingrained within our organisational culture, with regular quality training sessions and cross-functional problem-solving initiatives. We leverage setbacks and concerns as learning opportunities to devise efficient mitigation strategies.

Internal quality audits

Quarterly internal audits are conducted across all our manufacturing plants, supplemented by scheduled customer audits and regulatory inspections. These audits are instrumental in evaluating the effectiveness of our quality systems and identifying areas for enhancement. Additionally, we collaborate with external consultants to pinpoint inefficiencies within the system and implement targeted improvement strategies. This rigorous audit process underscores our commitment to maintaining and elevating quality standards across all operations.

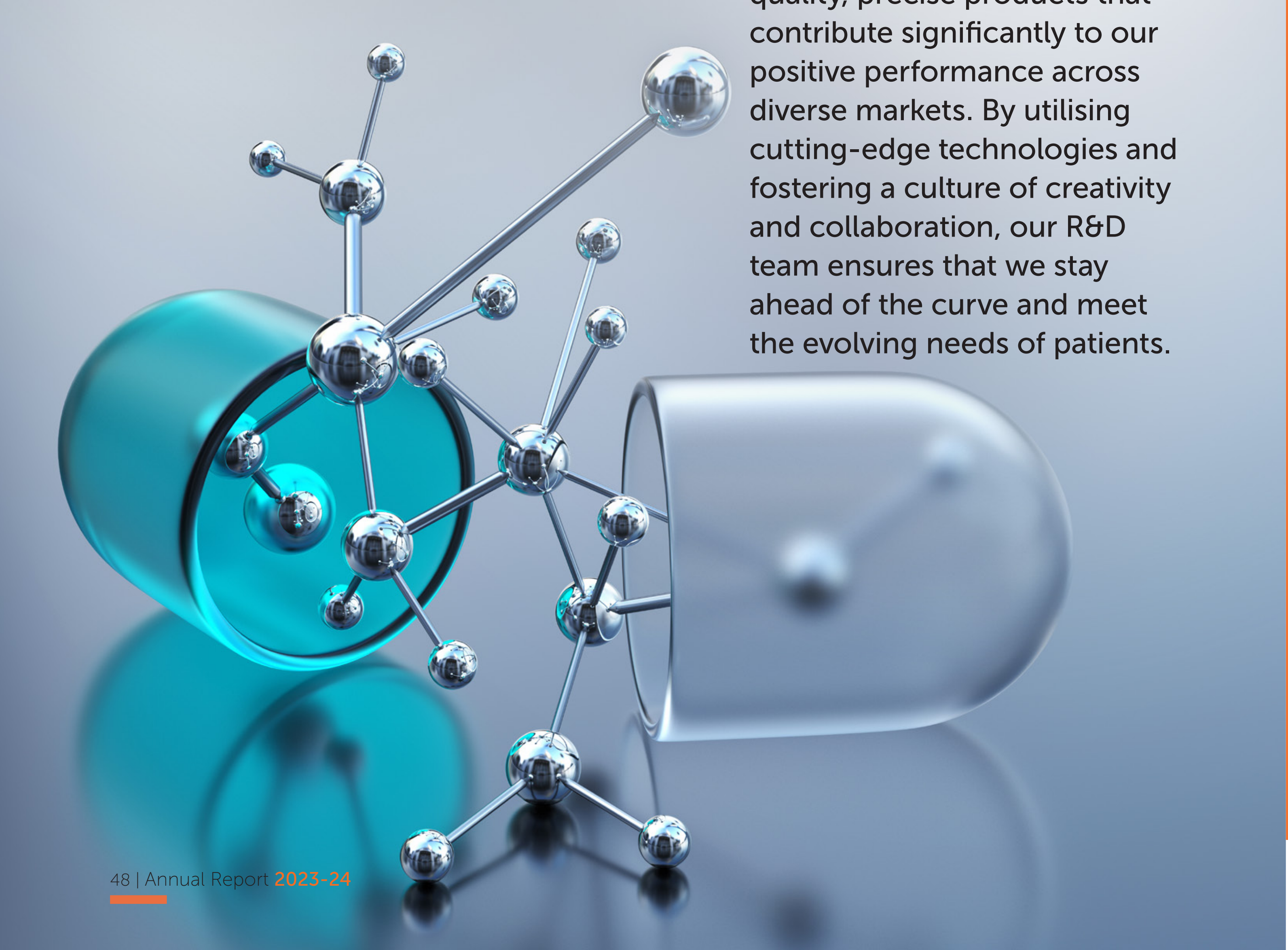
Supply chain ecosystem

At the core of our operations, we prioritise maintaining optimal inventory levels to facilitate reliable supply chain management. This not only ensures timely order fulfilment but also drives cost-efficiency across our operations. Additionally, we are committed to the timely filing of applications for alternative APIs and components, ensuring continuity of supply in dynamic market conditions. Upholding best business practices is paramount to our approach, allowing us to navigate the evolving landscape with agility and foresight.

Leveraging our robust API production capacity, we secure a consistent supply of critical production units essential for our key products. This strengthened capacity enhances the overall efficiency of our supply chain. Continual process improvements are integral to our strategy, enabling us to maintain optimal batch sizes for commercial viability. Furthermore, we actively explore opportunities to engage alternate vendors and qualify additional manufacturing lines or sites to optimise our production processes further and streamline our supply chain operations.

Innovation capital

Staying ahead with cutting-edge innovation



We drive growth through our research and development, which is pivotal to our success. Our innovative capabilities consistently push the boundaries of achievable excellence and engineer high-quality, precise products that contribute significantly to our positive performance across diverse markets. By utilising cutting-edge technologies and fostering a culture of creativity and collaboration, our R&D team ensures that we stay ahead of the curve and meet the evolving needs of patients.

SDGs impacted

09 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Strategies impacted

- S1 Driving geographic expansion
- S2 Advancing portfolio development
- S3 Establishing bio-similar CDMO
- S4 Elevating ESG integration

Impact of innovation capital on other capitals

Financial
Leading the charge in technology upgrades, digitalisation and process enhancements to increase long-term profitability.

Manufactured
Pioneering innovations and process refinements to optimise efficiency.

Human
Empowering our workforce by harnessing diverse digital and contemporary learning platforms to enhance their skills and capabilities.

Natural
Championing clean technology adoption to elevate operational efficiency and minimise environmental footprint.

Social
Embracing innovative strategies for community engagement and collaboration.

Relationship
Elevating customer satisfaction through the digitalisation of our value chain.

With a cutting-edge R&D setup situated in Hyderabad and staffed by ~276 qualified scientists, we are at the forefront of innovation. Our laboratories are dedicated to Formulation Development, Analytical Method Development, API Process Development, and Stability Studies. Leveraging our expertise, we specialise in synthesising complex drug molecules, including Low Molecular Weight Heparins, Corticosteroids, Peptides, and Cytotoxic molecules.

As a vertically integrated company, we seamlessly integrate our R&D prowess with state-of-the-art manufacturing facilities. Coupled with stringent quality control systems, extensive regulatory expertise, and established marketing and distribution infrastructure, we ensure excellence at every stage of the pharmaceutical lifecycle.

Driven by a robust R&D team, we are committed to pioneering new product development. Our innovative approach enables us to stay abreast of the latest industry developments and adopt advanced technologies to implement cost-effective manufacturing process and analytical techniques consistently in lifecycle management.

Innovation capital

Range of filings

Different jurisdictions

Our regulatory strategy spans various jurisdictions around the world, allowing us to navigate diverse regulatory landscapes effectively. By submitting filings in multiple jurisdictions, we ensure compliance with regulatory requirements and expand our market reach, enabling us to seek product approvals worldwide.

Diverse dosage forms

We prioritise meeting the diverse needs and preferences of patients by developing and submitting filings for a wide array of drug dosage forms. Our portfolio includes Abbreviated New Drug Application (ANDA) filings for generic versions of sterile injectable drugs (258 filings), oncology drugs (54 filings), and ophthalmic drugs (37 filings). This comprehensive approach underscores our commitment to providing access to a broad range of pharmaceutical products tailored to address varying patient requirements.

Supportive filings

Undertaking CBE filings

Our proactive approach to Changes Being Effected (CBE) filings exemplifies our commitment to continuous improvement and regulatory compliance. These filings enable us to implement necessary modifications in our manufacturing processes, facilities, or product labelling.

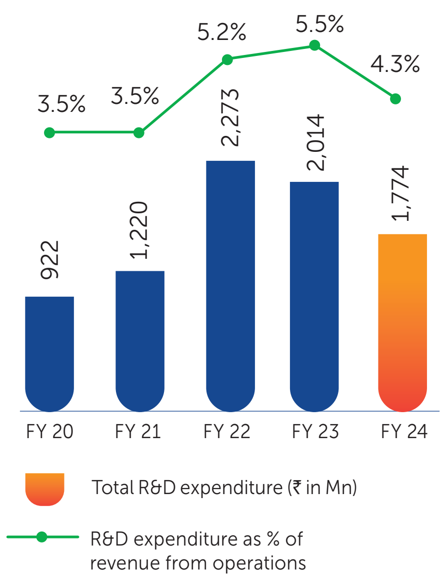
Timely filings

We prioritise the timely submission of applications for CBE/Prior Approval Supplement (PAS) to secure approval for alternate APIs and components utilised in our products. This proactive approach not only addresses supply chain concerns but also enhances cost-effectiveness and product quality.

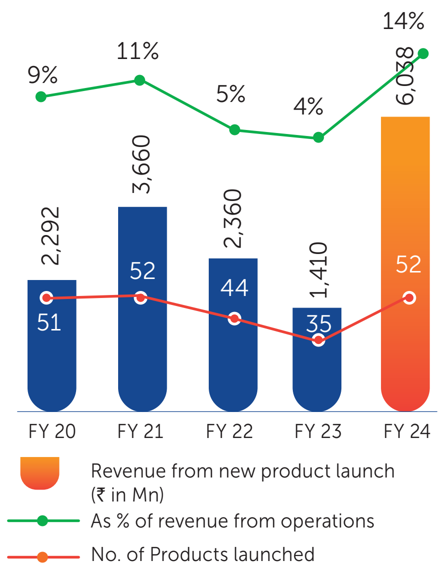
Key highlights, FY 2023-24

- R&D expenses stood at ₹ 1,774 million for FY 2023-24 (compared to ₹ 2,014 million in FY 2022-23).
- Regulatory filings included 19 ANDAs filed and 24 ANDAs approved.
- Total filings stood at 349 ANDAs in the US (286 approved, 63 pending).
- Global product registrations totaled 1,667.
- In complex injectables, six approvals were received out of 19 products under development. Eribulin, the first major complex product, was launched in May 2024. The next two years are crucial for achieving meaningful results. We are exploring acquisitions, co-development, and partnership opportunities to accelerate growth.

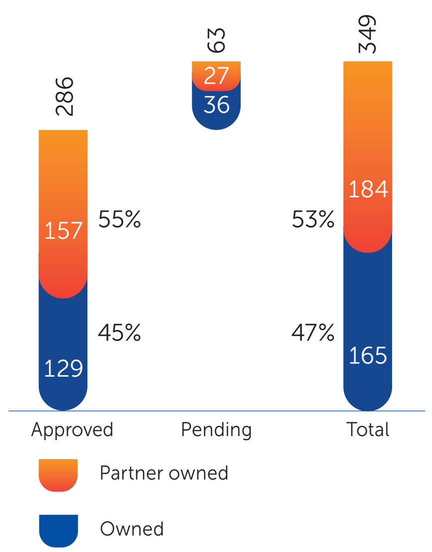
Investment in R&D



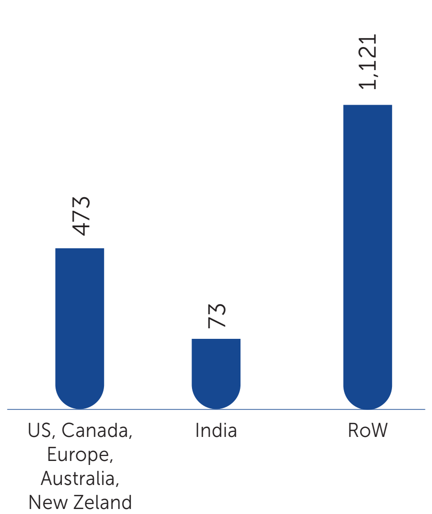
Revenue from new launches



ANDA dashboard



Product registrations globally



Innovation capital

Dynamic and niche technologies

In our pursuit of developing complex generic injectables, we harness advanced capabilities tailored to tackle technically challenging products. This dynamic approach not only facilitates the development of bioequivalent versions of complex drugs but also enables us to stay at the forefront of pharmaceutical innovation.

Complex molecule characterisation

Utilising advanced analytical tools, we specialise in characterising complex molecules present in our products. Given the minute differences inherent in these molecules, characterisation poses a significant challenge. However, our innovative approach has enabled us to successfully synthesise and characterise glycosaminoglycans such as heparin, low molecular weight heparins, chondroitin sulfate, hyaluronic acid, and glycosaminoglycan drug conjugates. Moreover, our technology facilitates the characterisation of protein-based products, further enhancing our capabilities in this domain.

Sterile API production technology

We leverage our knowledge on Aseptic processing technology extending it to sterile API production. Our expertise in this area has led to the successful development of various pharmaceuticals, including betamethasone acetate, paliperidone palmitate, aripiprazole hydrate, and aripiprazole lauroxil. Additionally, we have pioneered the development of non-infringing polymorphism versions of APIs such as Tigecycline, Bortezomib, and Remimazolam. Furthermore, our oncology API processes for compounds like cabazitaxel and pralatrexate exemplify our commitment to innovation and excellence in pharmaceutical research and development.

Technology transfer capabilities

We excel in executing technology transfer initiatives, allowing our partners to transfer technology to us seamlessly. As a B2B company, technology transfer is integral to the progression from laboratory to product development, and eventual full-scale commercialisation. This process is pivotal for enhancing drug quality during the research and development phase and ensuring adherence to stringent quality standards during the final stages of product development.

Our technology transfer process encompasses various crucial steps, including identifying technical gaps in manufacturing and analytical methods, transferring analytical methods, verifying APIs and finished goods through trials and submission batches, conducting stability studies, and preparing dossier submission documents. To facilitate smooth technology transfer, we have established a dedicated manufacturing science and technology team (MSAT) proficient in project management. Leveraging their extensive expertise in injectables manufacturing, they efficiently manage the entire technology transfer cycle.

Robust intellectual property

Our robust research and development efforts are tailored to support global regulatory filings. With a comprehensive portfolio of product capabilities and strong drug regulatory expertise, we possess the capacity to register complex injectables across diverse markets and throughout the product lifecycle. Furthermore, we have secured patents for the processes and equipment utilised in the development of our products, increasing our intellectual property portfolio.

Backed by profound knowledge of regulatory requirements, our regulatory team simplifies the process of new product registrations. Through ongoing communication with regulatory authorities, including the USFDA, they ensure operational efficiency by promptly completing CBE-30 filings for site and line changes, as well as filings for changes in APIs. This proactive approach ensures compliance with regulatory standards and underscores our commitment to delivering high-quality pharmaceutical products.

Capability matrix in products and delivery systems

Existing capabilities

Expertise in the synthesis of complex drug molecules
- Low molecular weight heparins
- Steroids
- Cytotoxics

Present across
- Oncology
- Ophthalmics and otological
- Blood-related
- Neurological and central nervous system
- Pain, neuro-muscular agents and analgesic

Focus areas
- Complex injectables
- NCE-1s
- First-to-file products
- 505(b)(2) filings

Expanding our scope

Expanding capabilities
- Peptides
- Long-acting injectables
- Blood-related
- Suspensions
- Hormonal products

Expanding in new delivery systems
- Pens
- Cartridges

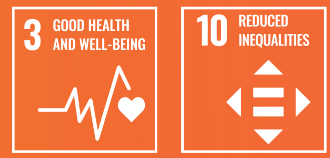
Key products
- Enoxaparin Sodium
- Cisplatin
- Lacosamide
- Rocuronium Bromide
- Zoledronic Acid
- Vancomycin

Human capital

Empowering the workforce to enhance capabilities

We prioritise the well-being of our human resources. With a dedicated focus on fostering the holistic growth of our employees, we cultivate an inclusive workplace that embraces a people-centric philosophy. Our organisational culture thrives on nurturing leadership, celebrating diversity, encouraging accountability, and promoting equality across the board, resulting in a well-capable workforce equipped to handle evolving business dynamics.

SDGs impacted



Strategies impacted

- S1 Driving geographic expansion
- S2 Advancing portfolio development
- S3 Establishing bio-similar CDMO
- S4 Elevating ESG integration

Impact of human capital on other capitals

Financial
Investing in employee training and development to enhance productivity.

Manufactured
Streamlining processes and improving efficiency and quality.

Innovation
Encouraging idea sharing and collaboration to drive innovation.

Natural
Committing to resource conservation and environmental sustainability efforts.

Social
Enhancing employee satisfaction through community engagement initiatives.

Relationship
Strengthening relationships with stakeholders.

The hard work and commitment demonstrated by our team highlight the core values embedded within our organisational culture. We advocate for an inclusive workplace environment where the aspirations of each individual are valued and supported, fostering opportunities for both professional advancement and personal growth.

Our steadfast commitment to nurturing a purposeful and dynamic workplace environment remains unwavering, ensuring that every team member flourishes on their path towards fulfilment and success.

4,200+
Total workforce

34
Years of average age of employees

Zero
Fatalities across manufacturing facilities

Human capital

Driving employee engagement

We recognise the pivotal role of a motivated workforce in driving organisational success. To foster a more profound sense of belonging and engagement among our employees, we implement various initiatives aimed at boosting morale and promoting intellectual development.

To facilitate open communication and collaboration between employees and top management, we regularly organise initiatives that provide opportunities for direct engagement with our leaders. These sessions enable us to gather diverse perspectives and insights, informing the development of policies that support the growth and well-being of our employees. Additionally, we conduct annual employee engagement surveys to solicit feedback and gauge the effectiveness of our initiatives.

In fostering a culture of solidarity and camaraderie, we commemorate special occasions such as birthdays, work anniversaries, and festivals with our employees and their families. Furthermore, we organise special activities and events on significant dates, such as Women's Day and World Health Day, promoting a sense of community and inclusivity within our workplace. Through these initiatives, we strive to create an environment where every employee feels valued, supported, and empowered to thrive.

Creating a culture of continuous learning and development

We are dedicated to fostering a culture of constant learning and development for all our employees, including contractual workers. We provide access to a diverse range of learning and development tools aimed at empowering individuals to realise their full potential.

684
Number of employees trained

63
Leaders identified for Leadership development programme

Leadership development programme

In response to the rapid evolution within our industry, we have launched a Leadership Development Programme tailored to equip our teams with the skills needed to thrive amidst emerging demands. At its core, this initiative aims to cultivate a comprehensive understanding of performance appraisal principles, supported by enhanced people leadership capabilities spanning appraisal, feedback, teamwork, and collaboration.

This programme offers a dual focus on both theoretical knowledge and practical application, ensuring participants gain a holistic insight into effective leadership practices. Conducting thorough analyses of individual capabilities catalyses cultivation of a robust pipeline of future leaders within our organisation. Moreover, by shedding light on areas of improvement, this programme empowers individuals to excel in their professional roles, fostering success not only for themselves but also for the collective growth of our organisation.

Succession planning

Ensuring the sustainability of our business requires effective succession planning. We have established a structured framework to identify and groom potential leaders capable of steering the organisation towards new heights of success.

Through our strategic succession planning strategy, we aim to cultivate a steady pipeline of future leaders who are well-equipped to lead our organisation into the future.

637
New hires in FY 2023-24

76%
Employee retention rate

Building an agile and purpose-led workforce

In our pursuit of fostering an agile, efficient, and purpose-driven workforce, we remain dedicated to attracting and retaining individuals with diverse skill sets and backgrounds. Our talent management initiatives are strategically designed to identify individuals whose qualifications and experiences align with the organisation's goals and values. This approach enables us to cultivate a motivated and engaged talent pool that is fully committed to realising our organisational objectives.

Diverse hiring channels

To ensure a robust talent acquisition process, we leverage a variety of hiring channels, including walk-in drives, employment portals, employee referrals, and recruitment consultants. By tapping into multiple channels, we aim to create a diverse and inclusive workplace environment that fosters a sense of belonging and provides ample opportunities for talent to thrive and excel.

Human capital

Employee health and safety

We prioritise the health and safety of our employees by fostering a strong safety culture within our organisation. To uphold their well-being, we have established a dedicated safety committee that diligently works to prevent exposure to hazardous conditions.

6,308
Person-hours of EHS training in FY 2023-24

96 Mn
Person-hours of injury-free operations

Zero
Transport and operational facility incidents

ISO 45001:2018
Certified

Healthcare facilities

Within our premises, we maintain a fully equipped health centre staffed with doctors and paramedics available around the clock. This facility ensures immediate medical assistance with essential equipment readily accessible. Furthermore, we proactively monitor industrial hygiene, fostering personal hygiene practices through facilitated workplace amenities.

Safety performance

Our commitment to safety is reflected in our rigorous reporting of accidents and near-miss incidents, fostering a culture of safety ownership among our workforce. Our occupational health centre continuously monitors incidents, conducting thorough investigations to implement corrective measures promptly.

Safety checks

Regular employee safety audits and management review meetings are conducted to identify potentially hazardous behaviours, allowing us to implement necessary actions effectively. By leveraging data from these checks, we cultivate positive safety behaviours, raise awareness about potential risks, and proactively mitigate threats within our facilities.

Safety policy implementation

We adhere to a well-defined policy ensuring the effective implementation of health, safety, and employee well-being measures. This policy encompasses comprehensive risk assessments covering workplace, fire, process safety, ergonomics, machinery risks, occupational health, and chemical hazards. Our institutionalised system aligns with international safety standards and regulations, undergoing quarterly reviews to enhance processes based on continuous feedback.

Safety initiatives

Dedicated wellness programmes are integrated across our offices to safeguard the health and safety of our workforce, subcontractors, clients, and stakeholders. Through a combination of internal training, shop floor sessions, inductions, and refresher courses, we prioritise the holistic well-being of our personnel.

Safety inspections

Regular simulated exercises are conducted at our manufacturing facilities to ensure preparedness for emergencies. Additionally, we meticulously calibrate portable and fixed gas detection systems and maintain spill control kits. Routine inspections and demonstrations of emergency equipment, including fire extinguishers, hydrant systems, alarm detection systems, eye wash showers, and respiratory protective gear, further support our safety protocols.

Fostering employee well-being

We encourage employees to participate in various wellness programmes that help them adopt a healthy lifestyle and manage non-communicable diseases. We also guarantee the provision of health insurance, accident insurance, maternity benefits, paternity benefits, and nursery facilities to support the holistic well-being of our employees and workers continually. All of our full-time employees and contract employees are covered with comprehensive health and accident insurance.

Advancing diversity and inclusion

At Gland Pharma, diversity, equity, and inclusion are integral to our business operations. We actively promote the participation of individuals from diverse backgrounds, encompassing varying ethnicities, religions, nationalities, and genders, within our workforce. As an equal-opportunity employer, we are committed to recognising and rewarding performance, offering compensation that aligns with an individual's experience and expertise.

Furthermore, we endeavour to cultivate an inclusive working environment that values and respects diverse perspectives, fostering a sense of belonging among all employees.

13%
Female employees in FY 2023-24

Recognising the contributions of our people

At our organisation, we value recognising and appreciating our employees' contributions. Through our comprehensive rewards and recognition programme, we aim to foster a culture of high performance and excellence, while identifying and celebrating exemplary achievements across the organisation.

109
Employees are rewarded during FY 2023-24

Social capital

Impacting lives
through positive endeavours

We are committed to improving the well-being of our community. Through consistent community support and ethical business practices, we foster trust and goodwill. To streamline our initiatives and positively impact the lives of those in need, we prioritise initiatives in education, health, community development, environmental protection, and wildlife conservation. With a multitude of measures and programmes, we extend our reach to an ever-expanding network of beneficiaries, ensuring our impact is felt far and wide.

SDGs impacted

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
15 LIFE ON LAND

Strategies impacted

S4
Elevating ESG integration

Impact of social capital on other capitals

Financial
Driving investment in various community activities.

Manufactured
Shaping resource access, knowledge exchange, collaboration, productivity, and compliance.

Relationship
Enhancing trust, cooperation, communication, and networking is vital for cultivating robust relationships.

Natural
Influencing conservation, resource management, cooperation, and awareness within natural capital dynamics.

Human
Generating local employment.

Innovation
Driving innovation in community activities.

Education

We believe education is the foundation of sustainable development and social progress. We prioritise education and aim to empower communities through access to quality learning opportunities.

Free breakfast to government school children

In a pioneering effort for Telangana and Andhra Pradesh, we launched the Free Breakfast Programme on November 14, 2019. In FY 2023-24, we provided 2.62 million nutritious breakfast meals to approximately 16,000 children across 86 government schools in Hyderabad and Visakhapatnam. Additionally, around 300 pre-school children, pregnant women, and lactating mothers in 8 'Anganwadi Centres' in Hyderabad were also beneficiaries of this programme.

The provision of free breakfast is crucial, as many students attending government schools come from economically disadvantaged backgrounds. Often, their parents, who are daily-wage migrant workers, leave early in the morning for work, leaving their children underfed or hungry. With a nutritious breakfast provided by our implementing partner, The Akshaya Patra Foundation, these children start their school day on a positive note.

Social capital

This innovative project has shown several salutary benefits including improvement in the overall health, physical and mental growth of the children, augmenting their cognitive skills, concentration levels, and overall academic performance, leading to increased attendance and reduced dropout rates. It has garnered widespread support from the teaching community, government education departments, students and their parents. It helps in noticeably reducing iron/other nutritional deficiencies in pre-school children, pregnant women and lactating mothers in Anganwadi Centres.

6.7 Mn+
Total meals served since November 2019

₹39 Mn
Amount spent in FY 2023-24

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

2.6 Mn+
Meals served in FY 2023-24

16K
School students benefitted

Developing infrastructure in government schools

With a focus on creating conducive learning environments for children attending government schools, our Company has embarked on significant infrastructure development and renovation projects.

These efforts include the construction of additional classrooms, staff rooms, laboratories, dining halls, kitchens for preparing mid-day meals, storage facilities, assembly stages, toilets, drinking water facilities, compound walls, teaching boards, chairs, dual desks, and dining tables.

Throughout FY 2023-24, we have successfully renovated 8 government schools in Telangana, equipping them with the aforementioned facilities to enhance students' educational experience.

₹128 Mn
Amount spent in FY 2023-24

10
Government schools developed/work-in progress in FY 2023-24

18
Government schools developed/work-in-progress till now

6,162
Students benefitted (including a school run by an orphanage)

The initiatives of Free Breakfast Programme and improvement of Infrastructure to Government Schools have received many accolades. Recently, we were declared as 'Winners' in The CSR Journal Excellence Awards 2023 in the 'Education and Skill Training' category.

Elevating quality education in Government High Schools

In collaboration with an NGO, we have implemented the 'Janyaa Lab-In-a-Box' (JLIB) programme across 66 government high schools to bridge the systemic gaps hindering underprivileged children from experiencing STEM learning. The JLIB kit, equipped with 340 Science/ Math experiments, facilitates hands-on learning that directly applies to students' lives and benefits their families and communities. Through this initiative, we foster problem-solving skills, creative thinking, and a solid foundation in STEM education, preparing students for future vocational pursuits and equipping them with in-demand skills.

Additionally, our engagement activities like 'Janyaa Scientific Rangoli', 'Janyaa Creative Fair', and 'Janyaa Social Innovation Challenge' encourage students to creatively apply their learning and develop solutions for real-life issues, such as water conservation and environmental conservation. The 'Janyaa Nature Lab' further enhances students' understanding of curriculum-based Science/Math concepts through 60 nature-focused experiments covering various topics like finance, ecosystems, and food and nutrition.

19,821
Students benefitted in FY 2023-24

Sponsorship of teachers/ support staff in Government schools

Our commitment to enhancing education extends to sponsoring essential personnel in government schools. We support over 113 'Vidya Volunteer' teachers and non-teaching staff such as helpers, security guards, and scavengers. By addressing staff shortages in these schools, we aim to ensure the delivery of quality education to children.

₹10 Mn
Amount spent in FY 2023-24

Social capital

Promoting the quality of education in Government Primary Schools

In association with an NGO, we strive to enable students of 23 government primary/upper primary schools to attain the Foundation Literacy and Numeracy (FLN) skills needed to succeed in the future by supporting and empowering the critical stakeholders; teachers, students and their parents.

Our endeavour is through a special model called 'PARaM' (Prepare teachers/students; Assess student learning over time; Remediate through effective learning tools provided to teachers; Motivate and celebrate the efforts of teachers/students).

The PARaM model seeks to a) capacity-build the teachers to achieve the desired FLN outcomes in the students, b) use remedial curriculum to improve learning outcomes, especially for English in Grades 1-5, and c) help the schools stand out for high teacher performance, effective student learning and strong parent engagement.

The project lays stress on: 1) stability and levelling up of teachers; 2) material support for teachers, students and classrooms; 3) in-person school visits and teacher orientation sessions; 4) remedial curriculum to focus on improving English literacy outcomes; 5) learning sessions on content and pedagogy; 6) tracking student learning progress; 7) parent engagement through Parent-Teacher Meetings (PTMs) and learning showcases; 8) school management and ecosystem support by aligning HMs/MEOs to the programme; and 9) customised data dashboard on student learning and teacher performance.

2,750

Students benefitted in FY 2023-24

Educating urban slum children

In partnership with an NGO, we established 11 'My Abhyasa Centres' in some urban slums of Hyderabad, aiming to enhance functional literacy among children. Our project focused on implementing effective learning techniques, fostering strategies for continued schooling, encouraging parental involvement in children's education, facilitating access to government welfare schemes, and providing skill development opportunities for unemployed youth through NGOs/government initiatives. Our methodology included activities such as enrolment and attendance tracking for students in Grades 1 to 6, regular performance evaluations, emphasis on fundamental subjects like Maths/EVS/Telugu, and bridge courses to elevate students' academic knowledge to their respective grade levels.

251

Students benefitted in FY 2023-24

Educating children from tribal communities

We collaborated with an NGO to oversee the operation of 116 'Ekal Vidyalayas' (single-teacher schools) across three tribal districts in Telangana. These schools functioned as bridge schools for children residing in tribal villages, offering non-formal education (Math tables, Telugu writing/reading, story-telling), tribal folklore singing and simple games/sports. Selected individuals from the villages who had completed at least Class X were trained as single teachers, equipped with teaching skills and necessary educational materials. Additionally, they were provided with medical kits to assist community members in need, fostering a strong connection with the village community. The primary objective of these 'Ekal Vidyalayas' was to inspire children to enrol in regular schools.

1,941

Students benefitted in FY 2023-24

Other educational initiatives

To promote the scientific spirit in government school children, we regularly provide sponsorship support for Science festivals and exhibitions held in Telangana. We also support NGOs that run orphanages for destitute boys and girls from vulnerable communities (badly abused backgrounds/homeless/beggars/rag-pickers/migrant families), giving them education, shelter, food and healthcare.

₹33 Mn

Amount spent on other activities promoting education

Health

We are committed to improving healthcare accessibility and outcomes through impact-led initiatives, striving to enhance the well-being of underserved communities and promote healthcare.

Enhancing the well-being of economically disadvantaged children

To address the academic challenges faced by socio-economically disadvantaged children due to malnutrition and lack of awareness regarding healthy lifestyle practices, we implemented a 'Comprehensive Health Plan' for approximately 1,790 children enrolled in government and tribal welfare schools and hostels. This initiative involved conducting screening and diagnostic tests to identify underlying causes of malnutrition, followed by personalised counselling sessions by qualified doctors and nutritionists for both the children and their parents or guardians. Subsequent to the counselling, appropriate treatment and supplementation were provided by a professional healthcare team. Regular feedback was obtained to assess the effectiveness of the implemented interventions. The project aimed to rectify nutritional deficiencies, promote dietary and lifestyle modifications, and enhance the children's physical and cognitive development, thereby improving their overall well-being and academic performance.

1,790

Children benefitted in FY 2023-24

4,560

Children benefitted since FY 2021-22

Supporting medical infrastructure in Government hospitals

We have donated comprehensive sets of training manikins for trainees at Government College of Nursing at Visakhapatnam. We have also provided a 50-seater bus to transport the trainees/staff in that college.

₹18 Mn

Amount spent in FY 2023-24 on Health initiatives

Women empowerment

To promote women empowerment, we have constructed a Bharosa Centre in Medak, Telangana. This Bharosa Centre helps the Police provide integrated support to women and children affected by violence/sexual abuse.

Multi-pronged assistance for quick and effective relief (helpline, police, medical, legal, prosecution, psychotherapeutic counselling and shelter) is provided to the victims. Medical personnel conduct and collect medical evidence at this centre, helping the victims to avoid visiting government hospitals.

Clinical psychologists provide therapeutic counselling to the victims, and statements of child victims are recorded in a special child-friendly court.

₹48 Mn

Amount spent for Bharosa Centre (in FY 2022-23 and FY 2023-24)

₹1 Mn

Other support for women empowerment in FY 2023-24

Social capital

Community development, environment protection, wildlife conservation

We have been working on restoration of critical wildlife habitat in and around the 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).

Improving tiger population and its habitat in Kawal Tiger Reserve

Tigers in India face ongoing threats, with populations confined to small, isolated areas dealing with prey depletion and habitat fragmentation. Reserves like Tadoba Andhari Tiger Reserve (TATR) in Maharashtra have seen growth in tiger numbers, but sustaining further growth is challenging. Human-animal conflicts, including threats to human life and damage to crops and livestock, also pose significant challenges. Kawal Tiger Reserve (KTR) in Telangana, located 100 km south of TATR, is meant to accommodate spillover tigers from TATR but is heavily threatened by human encroachment, poaching, illegal tree felling, and habitat loss. The dependency of local communities on KTR's resources and wildlife conflicts result in retaliatory killings, further endangering its biodiversity.

Restoring forest loss requires efforts like agro-forestry and sustainable agricultural practices. Protecting and monitoring tigers and their prey is essential for their survival. Creating employment opportunities can reduce dependency on forest. For tribal populations dependent on forest resources, providing alternative livelihood training, monetary incentives, and involving them in decision-making is crucial.

KTR struggles with a lack of adequate prey, human disturbances, forest degradation, and farming on government-allotted forest lands. Seasonal crops like rice, BT cotton, and maize are grown, with heavy pesticide use leading to long-term land degradation and soil erosion during fallow periods. Agro-forestry outside forests could reduce pressure on forest and aid carbon sequestration. Encouraging communities to grow fruiting trees on their lands instead of seasonal crops requires sustained motivation.

In collaboration with the Hyderabad Tiger Conservation Society (HyTiCoS), our goal is to establish a viable meta-population of tigers in KTR by improving green cover and increasing the prey population.

Commenced in October 2022, our project strives to:

- Assess the restoration opportunities by:
  - Establishing priority using scientific Forest Landscape Restoration (FLR) principles
  - Proposing specific interventions for restoration
- Restore degraded forests and promote agro-forestry in community lands by:
  - Promoting agro-forestry outside existing forested areas, including degraded forest/ revenue/private lands in priority sites
  - Growing trees outside forests
- Reduce dependency on forests in the priority sites by:
  - Developing woodlots and fodder in private lands
  - Growing bio-fence hedges for the plants, to protect them from animals
- Document the distribution/ dispersal/potential tiger corridors by:
  - Using citizen science networks for gathering information
  - Conducting landscape-level occupancy surveys for tigers and assessing factors influencing their survival
  - Conducting prey assessment
- Build the local communities' capacity in alternative livelihoods by:
  - Conducting skill development workshops
  - Identifying relevant schemes and providing linkages/access to markets

Apart from increasing KTR's tiger population, the project will have other positive fallouts:

- It will benefit the local inhabitants by encouraging them to become stakeholders, through the creation of various other livelihood options for them, so that their dependence on the forest is reduced.
- It will increase the population of leopards, sloth bears, civets and other wild animals (primarily the tiger's prey), thereby enriching the biodiversity of the area.
- The increased forest cover will reduce climate change, benefitting all living beings.

We have adopted a two-fold approach to the project:

- Improving the health of the degraded forests (restoring forest lands, increasing the green cover by agro-forestry, and reducing dependency on forests).
- Ensuring better survival of tigers by sustained and continuous monitoring of tigers and their prey in KTR's core and buffer areas.

Working with our implementation partner, we have undertaken the following key activities:

- We are reducing locals' dependency on forests by creating additional income through fruit orchard cultivation. Their fruit-harvesting activity will only last 2-3 months a year, leaving the remaining period disturbance-free, which helps wildlife move freely on private lands previously classified as forest lands on the forest fringes.
- Vegetation is being improved on 304 acres of private land, with each acre planted with 40 high-yielding mango plants and 30 other fruit-bearing plants of the farmers' choice (amla, custard apple, sapota, jackfruit, jamun, cashew, bilvam, wood apple, guava, karanda), supplementing their income.
- In an innovative method for providing water to plants during dry summers, earthen pots have been given to farmers; the water in them drips slowly into the soil, ensuring the moisture retention necessary for saplings to survive dry periods.
- Inspired by our efforts, other tribal members are voluntarily participating in agro-forestry and offering their lands for planting fruiting trees. We are also in dialogue with other government agencies to adopt our methods.
- Developing woodlots, fodder plots, and bio-fence hedges on private lands to protect plants from animals.
- Local farmers are being assisted in setting up vermicompost units, providing an additional income source. Over 12 units have been established so far.
- We are documenting the distribution and dispersal of potential tiger corridors using 'citizen science' networks and 'Spatial Monitoring and Reporting Tool' (SMART)-based patrols to gather information on tigers.
- The corridor field team supported forest staff in monitoring 19 individual tigers using indirect signs, camera trapping, and information gathered from livestock herders.

Social capital

- We have removed wire snares and reported electrocution sites, rescuing several animals and birds.
- Over 360 field officers (including basecamp watchers, beat officers, and frontline staff of the Telangana Forest Department) are being trained in tiger conservation, field techniques for ecological monitoring, livestock compensation schemes, legal frameworks, and wildlife crime detection through foot patrolling.
- We interact with local communities to resolve conflicts and reduce their impact on wildlife through careful policy interventions. Where applicable, cases have been registered under the Wildlife Protection Act, 1972.
- Long-term monitoring of tiger's prey (gaur, sambar deer, spotted deer, nilgai, wild boar, chousingha, langur, rhesus macaque, etc.) is being conducted using Line Transect (LT) surveys in KTR's core and buffer areas. Twenty-nine LTs of 4 km each have been laid for prey monitoring.
- Adopting a watershed approach, we have built 5 rock-fill dams and 2 check-walls on community lands. This is part of the restoration of 140 acres of forest, where the water bodies on the streams are central. These structures have significantly slowed down rainwater flow through natural culverts, resulting in the formation of large rainwater reservoirs that seep into nearby lands, increasing water retention, making water available during summer for wildlife and livestock, re-greening degraded forest lands, improving groundwater recharge, aiding agriculture, and attracting prey animals.
- We are developing local communities' skills to increase their alternative livelihood opportunities in close consultation with them, the State Forest Department, and the Tribal Welfare Department about growing trees and fodder outside forests.
- We are building local communities' capacity in alternative livelihoods by 1) training 20 Kollam tribal youth in making bamboo handicrafts and 2) training Gond tribal women in stitching cloth bags. The products will be marketed, thereby promoting sustainable livelihoods and reducing forest exploitation. Several local inhabitants in the forest lands have been motivated to implement our suggested ideas.

We are already seeing an encouraging positive impact in terms of forest land restoration and increase in green cover within these two years. This is a very long-term project requiring assiduous involvement and commitment. A measurable increase in the meta-population of tigers in KTR can only be seen after a few years.

In future, we intend to take up similar initiatives in the Amrabad Tiger Reserve (Telangana) and elsewhere as well. To begin with, we have provided an Electric Vehicle (EV) to the Amrabad Tiger Reserve, for use by its staff in patrolling the area, transporting supplies, and attending to emergencies.

232 acres
Total acreage for agro-forestry in FY 2023-24

304 acres
Total acreage for agro-forestry up to FY 2023-24

21,350
Total trees planted up to FY 2023-24

Our Efforts (October 2022 to March 2024)

9,110 km
Total length of foot patrols

1,100 km
Total walking efforts on 'Line Transects'

2,404
Total number of wire snares removed

1,308
Total patrols across the corridors

29
Total 'Line Transects' (4 km each) for prey monitoring

123 km
Number of live-wire sites reported

Other initiatives

To help conserve wildlife, we regularly contribute to Nehru Zoological Park in Hyderabad for the upkeep of their numerous wild birds and animals. In FY 2023-24, we funded a non-polluting, environment-friendly EV-powered road train for ferrying visitors around the zoo, reducing air and sound pollution.

On 'World Tiger Day', in collaboration with the Telangana Forest Department and HyTiCoS, we organised public awareness events by screening thought-provoking documentaries on the challenges faced by tigers and the efforts to protect them. Informative posters were displayed, brochures and pamphlets distributed, and environment-related games were held for participants. Seven hundred students from 15 schools in Hyderabad participated in the event. The celebration was also held in Amrabad and Jannaram (Kawal Tiger Reserve) to raise awareness among school children.

Relationship capital

Forging strong connections for sustainable growth

We have a stakeholder-centric approach to enhancing business operations and amplifying outcomes. We recognise that engaging with our stakeholders at every stage of our business processes helps build trust, accentuates open communication, and ensures the long-term sustainability of our business. We firmly believe that continuous interaction with our stakeholders enhances the overall performance of our Company, driving us toward sustained success.

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Strategies impacted

S4

Elevating ESG integration

Impact of relationship capital on other capitals

Financial

Fostering heightened brand loyalty among both B2B and B2C customers and other essential stakeholders.

Manufactured

Enhancing product quality and refining processes through active stakeholder engagement.

Human

Encouraging increased engagement with our workforce to gather feedback and exchange knowledge.

Natural

Promoting best practices for environmental stewardship among stakeholders.

Social

Prioritising community initiative roadmap based on the needs of our stakeholders.

Innovation

Inspiring innovation through deep customer insights.

Government and regulatory bodies

Gland Pharma prioritises the establishment and nurturing of mutually beneficial relationships with government entities and regulatory agencies across diverse geographical regions. Our commitment extends beyond mere regulatory compliance; we diligently adhere to legal guidelines and norms, fostering relationships built on credibility and trust. By actively engaging with these authorities, we aim to uphold the highest standards of governance while contributing to the regulatory framework's evolution through constructive dialogue and collaboration.

Furthermore, our dedication to Corporate Social Responsibility (CSR) initiatives underscores our alignment with the government's social and economic development agenda. By investing in CSR projects in underprivileged areas, we actively contribute to community welfare and sustainable development goals. This holistic approach not only demonstrates our commitment to ethical business practices but also reinforces our role as responsible corporate citizens who contribute positively to society.

Relationship capital

B2B and B2C customers

Our commitment to customer satisfaction is paramount, underpinned by our dedication to developing diversified products that surpass the highest standards of quality and regulatory compliance. By consistently delivering products that meet stringent regulatory parameters, we not only enhance brand loyalty but also drive sustainable business growth and cultivate a reputation for service excellence.

In addition to product quality, we prioritise transparent and effective communication with our customers. We provide accurate and up-to-date information about our products, including usage guidelines and potential side effects, through clear and accessible communication channels. By fostering open and transparent communication, we aim to build stronger bonds with our customers founded on trust, transparency, and accountability. This proactive approach not only ensures customer satisfaction but also reinforces our commitment to prioritising the well-being and safety of our customers.

Business partnerships with vendors, suppliers and bankers

Our success is built upon the foundation of strong relationships with our business partners. These partnerships are instrumental in ensuring the efficiency of our supply chains and facilitating the prompt delivery of our products to customers.

We are committed to conducting business with integrity and fairness in all our dealings with partners. By adhering to fair business practices and fostering transparency in our interactions, we cultivate an environment of trust and mutual respect. These principles not only strengthen our partnerships but also maximise value creation for all stakeholders involved.

Through collaborative efforts and open communication, we strive to build enduring relationships with our business partners. We are driven by shared goals and a commitment to delivering exceptional products and services to our customers.

Investors and promoters

Maintaining continuous interaction with our investors is paramount to our commitment to transparency and accountability. By engaging with investors on a consistent basis, we not only gather valuable feedback but also gain insights into their concerns and queries, allowing us to respond promptly and efficiently.

The confidence of our investors and promoters in the growth potential of our Company is of utmost importance to us. We are dedicated to maximising return on investment by operating ethically and transparently, ensuring that their trust and confidence in our Company are well-placed.

Through open and transparent communication, we aim to foster a solid and enduring relationship with our investors and promoters. By keeping them informed about our strategies, performance, and prospects, we strive to create value and deliver sustainable growth, thereby enhancing shareholder value and maximising returns for all stakeholders involved.

Natural capital

Striding ahead with environmental stewardship

We uphold sustainable development, understanding the significant environmental implications of our business operations. Through a range of initiatives, we actively strive to reduce our carbon footprint, promote waste recycling, and optimise resource utilisation. Furthermore, we focus on embracing renewable energy sources, implementing efficient waste and water management practices, and preserving biodiversity. These ongoing endeavours reflect our commitment to prioritise responsible operation, thereby paving the course for sustainable advancement.

SDGs impacted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Strategies impacted

S4

Elevating ESG integration

Impact of natural capital on other capitals

Financial
Promoting increased investments in green energy and eco-friendly processes.

Manufactured
Implementing pollution control measures and practicing resource conservation.

Human
Providing workforce training on effective environmental conservation practices.

Innovation
Continuously innovating for resource optimisation and embracing the principles of a circular economy.

Social
Enhancing health and well-being through a healthier environment.

Relationship
Inculcating environment best practices across our supply chain.

Environmental compliance

We prioritise environmental compliance across all our manufacturing facilities and corporate headquarters. We are committed to upholding the environmental standards set by regulatory bodies, ensuring responsible and sustainable operations.

A significant stride in our journey towards environmental compliance is the transition to boiler fuel powered by piped natural gas (PNG) instead of furnace oil. This shift not only diminishes our stack emissions but also curtails CO_2 emissions, enhancing our contribution to environmental conservation.

We are delighted to announce the successful completion of the transition to PNG fuel at our Dundigal and Pashamylaram production facilities. Additionally, our VSEZ factory is on track to follow suit. This step underscores our dedication to reducing our environmental footprint and fostering sustainable practices throughout our operations.

Energy management

We prioritise effective energy management practices. Energy consumption is a major contributor to greenhouse gas emissions, and energy prices can directly impact our operational expenses. Therefore, we are committed to implementing strategies to mitigate these challenges.

Natural capital

Energy conservation

One of our primary objectives is to promote energy conservation measures throughout our operations actively. To achieve this, we are actively pursuing the adoption of renewable energy sources and investing in energy-efficient technologies. By increasing our energy efficiency and transitioning to alternative sources of energy, we aim to reduce our carbon footprint significantly and lay the foundation for a cleaner and more sustainable future. Through these concerted efforts, we seek to not only reduce our environmental impact but also enhance our operational efficiency and resilience to energy price fluctuations. By embracing sustainable energy practices, we are reaffirming our commitment to environmental stewardship.

We have harnessed renewable solar energy by installing rooftop solar panels with a capacity of 2.28 MW at our corporate office, R&D centre, Dundigal, Pashamylaram, and Shameerpet facilities. Furthermore, we are in the process of planning the installation of rooftop solar power systems at our VSEZ and JNPC facilities in Visakhapatnam, Andhra Pradesh.

92 GWh
Total energy consumed in FY 2023-24

1%
Energy conserved in FY 2023-24

3%
Energy used from renewable sources in FY 2023-24

Waste management

As part of our sustainability efforts, we are committed to minimising waste generation and promoting resource reuse or recycling. As a responsible corporate entity, we adhere to industry best practices to ensure efficient waste management while prioritising environmentally friendly disposal methods in alignment with regulatory standards.

Biomedical waste

Proper disposal of biomedical waste is paramount to safeguarding the environment and public health. To address this, we have established partnerships with authorised waste management agencies approved by the Telangana State Pollution Control Board (TSPCB). Through these collaborations, we ensure the safe and compliant disposal of biomedical waste, mitigating potential risks associated with its improper handling.

1,790 MT
Waste utilisation in FY 2023-24

252 tonnes
Waste disposed safely in FY 2023-24

Collaboration for efficient waste management

In addition to managing biomedical waste, we understand the importance of effectively handling other waste generated by our operations. In pursuit of this goal, we have established technical partnerships with esteemed organisations like the Ramky Group (Resustainability) and GGPEIL's Treatment, Storage, and Disposal Facilities (TSDF). These collaborations empower us to safely dispose of various waste streams, including e-waste, expired chemicals, solid drug batches, and other materials.

Our waste management practices encompass diverse methods, including the incineration of STP sludge and spent solvents, as well as the crushing of non-compliant drug batches using glass crushing machines.

The liquid effluent generated during these processes undergoes pre-treatment before being channelled to the Common Effluent Treatment Plant (CETP) for further processing.

Moreover, we remain steadfast in our commitment to recycling initiatives, such as repurposing broken glass and recycling packaging waste generated within our operations. Through these comprehensive waste management strategies, we strive to minimise our environmental impact while contributing to the creation of a more sustainable future for our communities and ecosystems.

Emissions management

As a part of our commitment to environmental sustainability, we are actively transitioning away from fossil fuels and increasing our reliance on low-carbon energy sources throughout our operations. By reducing our dependency on fossil fuels, we aim to significantly decrease greenhouse gas emissions and minimise the release of other pollutants into the atmosphere.

To ensure compliance with environmental regulations and standards, we implement stringent measures to monitor air quality at our manufacturing sites. Through regular monitoring and analysis, we strive to maintain emissions within statutory limits, thereby minimising our environmental impact.

Additionally, we have implemented sustainable transportation practices by incorporating electric cars for material transport between our sites. By utilising electric vehicles, we reduce our carbon footprint and contribute to cleaner air quality in our surrounding communities.

During the fiscal year, we have significantly reduced our consumption of furnace oil (FO) and high-speed diesel (HSD) by maximising our utilisation of piped natural gas (PNG). This shift has not only helped to offset our carbon footprint but has also led to a considerable decrease in HSD consumption through the optimisation of steam usage.

11%
Overall reduction of Scope 1 CO_2 emissions in FY 2023-2024

32%
Reduction in furnace oil for steam generation in FY 2023-24

28%
Reduction in HSD oil for steam generation in FY 2023-24

41%
Increased in PNG usage for steam generation in FY 2023-24

Water management

Recognising the critical importance of water as a finite natural resource, we are committed to responsible water management practices across all our operations. Given our operations' substantial water requirements, we prioritise the conservation and efficient utilisation of water resources.

To mitigate water wastage and optimise water usage, we employ stringent monitoring mechanisms and implement measures to minimise water consumption throughout our facilities. This includes regular monitoring of water usage levels and the implementation of checks and balances to ensure efficient water utilisation.

At our production facilities, we have invested in effluent and sewage treatment units to treat and recycle wastewater, effectively minimising our environmental impact. Furthermore, enhancements in our raw water subterranean storage tank have resulted in significant reductions in water usage. We have also improved our water quality sampling processes to minimise water wastage.

To further enhance water efficiency, we have installed float valves and automatic tap sensors within our facilities to minimise unnecessary water usage. Additionally, we installed timers for domestic water pumps to reduce water wastage.

In line with our commitment to environmental sustainability, we have implemented innovative solutions such as utilising recycled wastewater from our operations in our cooling towers. Moreover, the use of boiler steam condensate water as boiler feed water promotes circular economy practices, contributing to resource conservation and environmental stewardship.

We have implemented the utilisation of sewage treatment plant reverse osmosis (STP RO) treated water for toilet flushing, amounting to 15 to 20 kiloliters per day (KLD), effectively reducing our freshwater consumption since September 2023. Additionally, we have redirected the rinsing water from our utility reverse osmosis (RO) plant for domestic use, totalling 50 KLD, thereby further minimising our freshwater consumption since August 2023.

169,747 KL
Water recycled in FY 2023-24

49,246 KL
Water reused in FY 2023-24

Governance

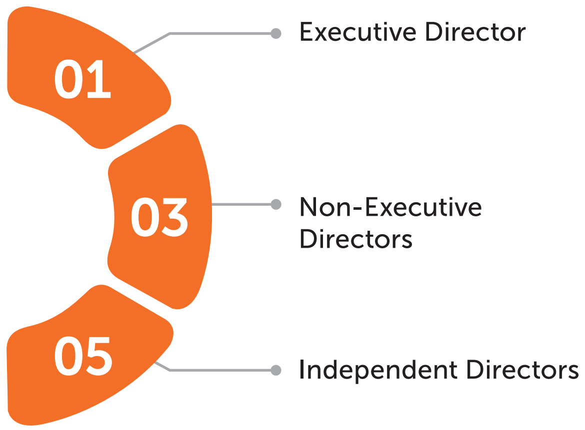
Thriving on a robust governance framework

We draw strength from a well-established governance structure that enhances transparency and embeds ethical practices at every level, ensuring meticulous compliance from the ground up. Our comprehensive set of guiding principles inculcates a culture of accountability and integrity across the board. Our governance ethos thrives within a performance-driven environment that prioritises adherence to both established and progressive standards. We strive to elevate our corporate governance to new heights, fostering a business environment that is sustainable, fair, and conducive to the growth of all our stakeholders.

Under the vigilant guidance of our Board of Directors, specialised committees oversee distinct operational facets, ensuring meticulous scrutiny and governance. Our management team, deeply engaged in day-to-day operations, furnishes the Board with comprehensive reports, fostering a culture of transparency and enhancing the oversight of organisational functions. Both internal and external auditors play a crucial role in upholding statutory compliance, reinforcing our commitment to regulatory adherence. As we advance on our path of innovation-led progress, we are witnessing a marked enhancement in both growth and sustainability across our organisation.

93%
Board meeting attendance

95%
Committee meeting attendance



Board expertise

Our Board of Directors stands as a beacon of corporate governance excellence, harnessing a rich tapestry of experience and wisdom. Consisting of individuals spanning diverse professional backgrounds, our Board members bring forth a myriad of skills, expertise, and insights crucial in navigating the organisation towards its strategic goals. Their collective proficiency encompasses Global Economics, Corporate Governance, General Management, Human Resources, Leadership, Pharmaceuticals, Science and Technology, Information Technology, Finance & Accounts, Manufacturing, Quality and Supply Chain, Sales, Marketing, M&A, and Business Development. Meeting at least quarterly, the Board conducts thorough reviews of our performance, offering invaluable guidance that shapes the trajectory of our Company.

Policies

We uphold the highest standards of ethics and governance, guided by our robust policies and codes.

- Policy for Materiality and Disclosure
- Policy on Related Party Transactions
- Policy on Familiarisation programme for Independent Directors
- Board Diversity Policy
- Code of Conduct for Board of Directors and Senior Management
- Policy on succession planning for Board and Senior Management
- Nomination and Remuneration Policy
- Dividend Distribution Policy
- Prohibition of Insider Trading Policy
- Policy for evaluation of Independent Directors and Directors
- Policy for determining 'material' subsidiaries
- Whistle Blower Policy

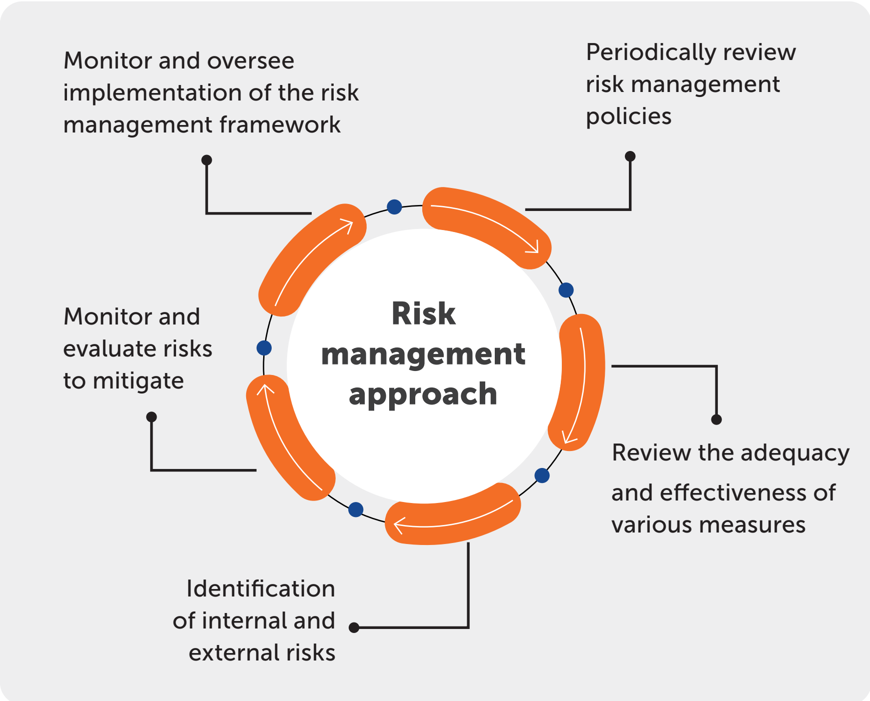
Detailed information about these standards can be found on our website: www.glandpharma.com.

Risk management

Securing future with prudent risk management

Our holistic risk management framework, enables us to proactively identify and mitigate potential risks. We understand that amidst the dynamic landscape of modern business, it is imperative for organisations to remain rooted in robust risk assessment and mitigation. Both traditional and emerging risks present formidable challenges that can impact our growth trajectory. Therefore, it is critical for us to remain alert and responsive to these threats to secure our continued prosperity.

Risk management approach



Our approach to risk management is comprehensive and systematic, steered by a structured framework. In light of the evolving business environment, we maintain a vigilant stance, continuously monitoring a spectrum of risks as we advance towards our goals. Consequently, a rigorous risk assessment process is ingrained in our strategic planning and decision-making.

Key risks and their mitigations

Financial risk

- Refers to the potential impact on our Company's financial stability and profitability, which may arise from operational inefficiency or market volatility.
- We maintain a diversified product portfolio and have implemented a robust financial control system. Additionally, we uphold a strong balance sheet with ample cash reserves, enabling us to extend our working capital cycle.

  Risk mitigation at macro level.

Regulatory risk

- The risk that could emerge from the potential impact of evolving regulations, compliance requirements, and government policies.
- We have implemented a rigorous compliance programme and regularly conduct internal audits to promote a culture of compliance across the organisation. Additionally, our manufacturing units adhere to regulatory guidelines and uphold best industry practices.

Human resource risk

- The risk associated with managing the Company's workforce and its capacity to attract and retain skilled professionals.
- We employ an effective talent acquisition and retention strategy that cultivates a diverse and inclusive work culture. We recognise employee contributions and provide performance-based rewards. Furthermore, we offer opportunities for skill enhancement through robust learning and development programmes. Our employee engagement initiatives ensure that our workforce remains motivated and engaged.

Supply chain risk

- Refers to potential threats that could disrupt the procurement of raw materials and the supply of finished products.
- Our state-of-the-art vertically integrated manufacturing facilities guarantee the timely production and distribution of finished products. Furthermore, we maintain an extensive network of suppliers who ensure a continuous supply of raw materials necessary for the production process.

Environment, health and safety risk

- Potential hazards may arise from the handling of hazardous substances, impacting both the environment and the health and safety of employees.
- We prioritise the safety and well-being of our employees by implementing robust safety protocols, providing comprehensive training, and conducting regular risk assessments and inspections.

Technology risk

- Our operations rely heavily on advanced technology. Inadvertent attacks on our digital infrastructure can result in the loss of sensitive data.
- We employ comprehensive cybersecurity measures, such as firewalls, encryption, and employee awareness training. Additionally, we conduct regular IT audits and maintain disaster recovery plans. Staying up-to-date with the latest technology trends helps us minimise risks to our systems.

Competition risk

- With many companies competing for market share and striving to introduce new drugs, it has become increasingly crucial to stay ahead of the competition.
- We invest in research and development to uphold a strong pipeline of products. Collaborating with renowned international businesses keeps us abreast of important technological breakthroughs in the industry. Furthermore, our extensive geographic presence boosts our position in global markets, aiding us in staying ahead of the competition.

Key risks
Mitigation measures

Management Discussion and Analysis

Economic Overview

Global Economy

As 2024 progresses, the global economic landscape is characterised by challenges and resilience. The swift decline in inflation peaked in 2022 and has mitigated its impact on economic activities more than anticipated. This favourable trend results from positive supply-side developments and central banks' strategic measures to stabilise inflation expectations worldwide.

The outlook for global growth (real GDP) is poised to stabilise at 3.1% in 2024 and inch up to 3.2% in 2025, driven by robust performances in the US and key emerging markets and China's fiscal stimulus. While these figures fall short of the 3.8% historical average from 2000 to 2019, they are promising despite challenges such as high central bank rates, fiscal constraints due to elevated debts, and slow productivity growth. Inflationary pressures are easing globally, thanks to increasing resilience to supply chain constraints and stringent monetary policies, with headline inflation expected to decrease from 6.8% in 2023 to 5.8% in 2024 and further to 4.4% in 2025.

The latter half of 2023 saw economic growth outperform forecasts in the US and several emerging economies, driven by public and private spending and bolstered by increases in real disposable income. The easing of tight labour markets and households using their pandemic savings also contributed to this growth, alongside a supply-side expansion marked by higher labour force participation and the resolution of pandemic-related supply chain issues.

While global economic growth was uneven, with the Euro area and low-income economies facing challenges, the overall risk of a severe downturn has diminished, and growth risks are now more balanced. Policymakers must steer inflation to target levels and ensure fiscal consolidation to prepare for potential shocks. Furthermore, the need for enhanced international cooperation is paramount to address debt challenges and the impacts of climate change, underscoring the importance of unity in these global issues.

Global Outlook

The global economic road ahead is fraught with uncertainties as concerns over consumer price inflation persist. The economic recovery trajectory in 2025 hinges on central banks' ability to navigate monetary policies amidst inflationary pressures. With the US and the Euro Area facing challenges due to elevated real policy rates, the risk of subdued economic activity looms large. Efforts to balance inflation management and sustaining growth will be critical. Cautious optimism prevails as policymakers grapple with the complexities of fostering economic stability while averting deeper economic slumps.

Source: International Monetary Fund, January 2024

Indian Economy

India's economy is on an impressive upswing, demonstrating remarkable resilience in the face of global economic challenges. It's expected to grow by 7.2% in the fiscal year 2023-24, marking the third year in a row of surpassing 7% growth. Increased public investment, a solid financial sector, and a significant rise in non-food credit drive this robust growth.

India now ranks globally as the third-largest fintech market, just after the USA and the UK, overtaking Hong Kong in the global stock market rankings. This reflects the confidence of both domestic and international investors, buoyed by continuous IPO activities. Government initiatives like Skill India, Start-Up India, and Stand-Up India have played a pivotal role in enhancing female participation in the workforce, thereby strengthening the economy's growth potential.

The Interim Union Budget for FY 2024-25 showcases a commitment to fiscal prudence while continuing to support growth through capital expenditures. These steps are expected to lay a solid foundation for sustained medium-term growth.

The government's economic agenda is geared towards unlocking India's growth potential. Policies aim to revitalise the financial sector, simplify business regulations to stimulate economic activity and improve infrastructure. These initiatives are designed to enhance connectivity and competitiveness in the manufacturing sector. A suite of economic reforms has been introduced to create a more business-friendly environment, improve the ease of living, and strengthen governance systems and processes.

India Outlook

In conclusion, India's remarkable ascent in the global economic hierarchy underscores its robust growth trajectory. Surpassing the United Kingdom to become the fifth-largest economy, India's progress is propelled by strategic investments in infrastructure, a resilient financial sector, and sound governmental policies. On track to achieve a USD 7 trillion economy by 2030 and reaching the USD 5 trillion mark within the next three years, India is poised to become the world's third-largest economy. This journey is characterised by developing new expertise, fostering strategic collaborations, and scaling up commoditised product offerings, capitalising on its extensive domestic market. As India navigates its knowledge economy, stakeholders must ensure a positive and sustainable impact, shaping a prosperous future for its citizens and the global community.

Industry review

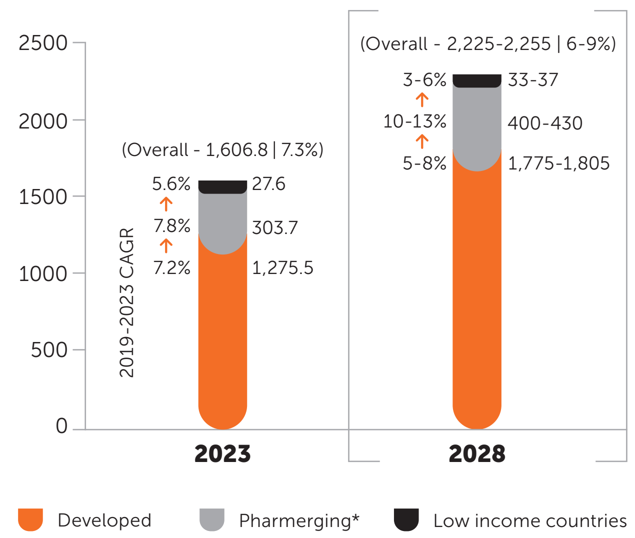
Global pharmaceutical industry

In an inspiring display of resilience and innovation, health systems across the globe have successfully navigated through the pandemic, economic inflation, and regional conflicts. This period has catalysed the adoption of groundbreaking treatments, significantly increasing healthcare utilisation and investment. The momentum of this growth is expected to sustain and surpass pre-pandemic levels, continuing through 2028.

The global pharmaceutical market size in 2023 stood at US$1.28 trillion and is expected to expand at a CAGR of 6-9% to US$2.23-2.25 trillion by 2028. During the forecast period, growth is primarily driven by new products and the influence of patent expirations, further amplified by biosimilars' rising presence. Developed markets' payers are anticipated to encounter fiscal constraints and will likely take measures to limit the growth of drug expenditures. This is partly due to the financial burdens of managing the pandemic and the need to mitigate the effects of heightened spending on innovative treatments.

Global pharmaceutical market growth

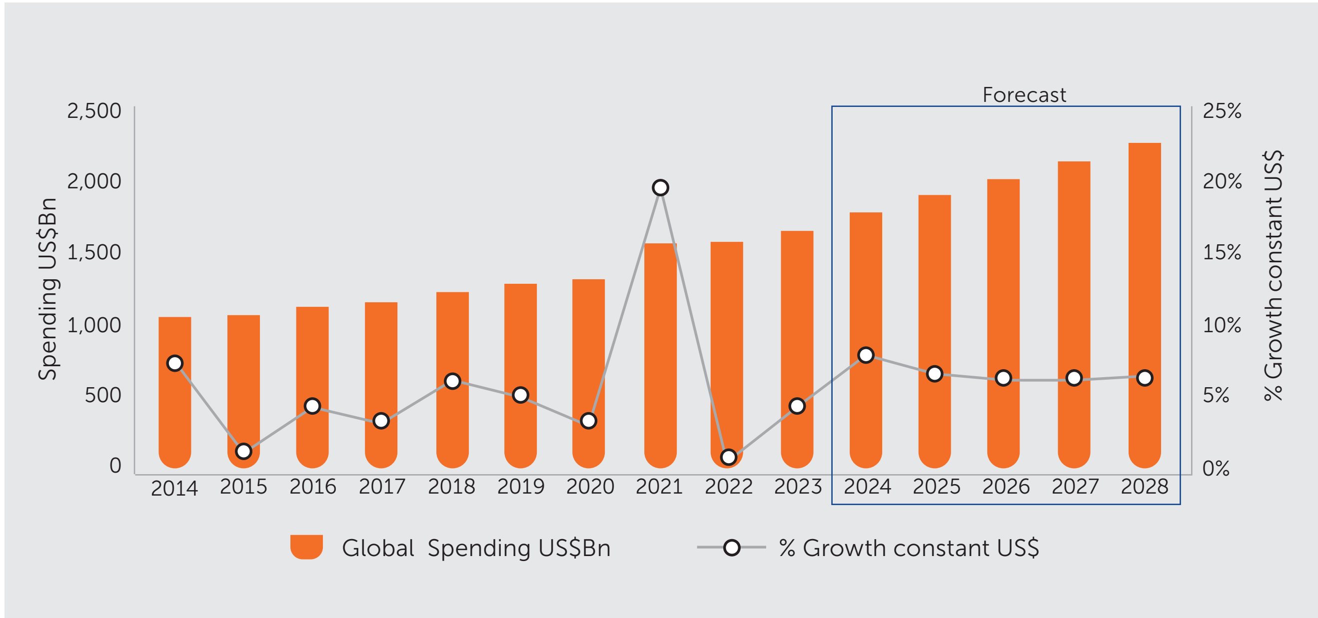
(US$ billion)



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023

*Pharmerging markets are those with per capita GDP by purchasing power parity (PPP) <$30,000/year and forecasted 5-year aggregate pharma sales growth >$1bn (absolute or rounded) in at least two forecasts.

Global medicine market size and growth 2014-2028, including estimated COVID-19 vaccine and therapeutic spending



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023

Geography-wise market review

Spending growth globally and in 9 regions, total market excluding COVID-19 vaccines and therapeutics, constant US$ 2019-2028

Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023

Global pharmaceutical market by product type

(US$ billion)

Spending	Developed	Pharmerging	Lower Income Countries	Global
2023				
Original brands	967.4	81.0	8.8	1,057.2
Non-original brands	128.7	105.7	13.6	248.1
Unbranded generics	113.4	43.3	1.7	158.5
Other	65.9	73.7	3.4	143
2028				
Original brands	1,390-1,420	110-130	9-13	1,520-1,550
Non-original brands	165-185	130-150	15-19	315-345
Unbranded generics	125-145	53-73	1.5-2.5	185-205
Other	68-88	84-104	3.5-4.5	165-185

Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023

In North America, medicine spending is forecasted to rise 6-9% until 2028, propelled by the continuous introduction of new brands and sustained popularity of existing ones, balanced by the impact of expiring exclusivities.

Pharmaceutical spending in the U.S. is expected to increase by 2% to 5%, driven by rising brand spending on an invoice basis and further boosted by the Inflation Reduction Act (IRA), which will likely enhance off-invoice discounts and rebates. It's estimated that such discounts and rebates will lead to spending 37% below invoice levels in 2023, with a projection of 47% below by 2028. Specifically, oncology, immunology, diabetes, and obesity are experiencing rapid growth. However, in immunology, the anticipated loss of exclusivity rights may slow down the growth of spending driven by innovation. Furthermore, the overall financial outlook up to 2028 will be shaped by ongoing market trends, including the utilisation of medications, the introduction of new treatments, the effects of patent expirations, and the emergence of generic or biosimilar competitors.

Western Europe has experienced an 8% increase in spending over the past three years, up to 2023. However, it is predicted to slow down to 4-7% through 2028 due to a mix of patent expirations and payer pressures, somewhat counterbalanced by the adoption of innovative medicines.

Eastern Europe presents the most optimistic growth forecast, ranging from 7.5 to 10.5%, though the pace is expected to diminish over the forecast period.

Latin America saw exceptionally high spending growth during the initial two years of the pandemic, driven by the use of established and generic medicines to manage COVID-19 symptoms. Following a sluggish 2024, the growth is expected to average 7-10% CAGR, with Brazil, Mexico, Argentina, and Colombia leading the way.

Japan is likely to see average spending growth of (-2) to 1%, maintaining a stable trend despite a significant uptake of branded medicines, influenced by the transition to annual price reductions instead of the traditional biennial cuts.

China's medicine spending fluctuated significantly during the pandemic, influenced by strict pandemic policies, but it is forecasted to stabilise at a more moderate growth rate of 2-5% through 2028.

Global injectables industry

In FY23, injectables emerged as the second-largest drug delivery system, accounting for roughly 43% of the global pharmaceutical market's value.

The injectables market was valued at about US$585 billion in FY23. Injectables' growth has been among the fastest across all drug delivery forms, growing at an 8.7% CAGR from FY19, compared to a 4% CAGR for other dosage forms.

Injectables stand out as a versatile alternative to traditional drug delivery methods, offering several benefits:

- Ensure immediate therapeutic action and high bioavailability, making them a potent choice for medication delivery.
- Depot delivery systems and long-acting injectables minimise the need for frequent doses, streamlining medication schedules and enhancing patient adherence. These systems also contribute to reducing disease recurrence, thereby improving the effectiveness of long-term treatments.
- For patients who face difficulties with oral medications, such as some elderly individuals, injectables offer a practical solution.
- The advent of self-injection technologies, like pens and auto-injectors, has greatly simplified the administration process for healthcare professionals and patients, making it more convenient.
- With an increase in new drug formulations that are not easily absorbed orally due to poor water solubility or permeability, injectables have become a preferred method of drug delivery.

Factors driving the growth of injectables

Convenience and advantages offered by New Drug Delivery Systems (NDDS): The evolution of injectable delivery devices like autoinjectors, pen injectors, and prefilled syringes has increased self-administered medication options, enhancing convenience and safety. This technology is now applied beyond diabetes, aiding in managing orphan diseases in oncology or hormone therapy and reducing hospital visits for patients needing multiple doses.

Emerging opportunities: Pharmaceutical firms are heavily investing in intricate molecules to combat diseases like rheumatoid arthritis, multiple sclerosis, cancers, and autoimmune disorders via injectable routes, meeting the growing demand for injectable drugs.

Increase in chronic diseases: The combination of longer life expectancy and lifestyle-related diseases like cancer, diabetes, and cardiovascular disorders has led to a surge in chronic conditions. This rise is a key driver for the injectables drug delivery market. For instance, diabetes prevalence has quadrupled since 1980, as reported by WHO, spurring demand for injectables. Additionally, the use of injectables for chemotherapy in treating cancer, with new cases projected to exceed 23 million by 2030, further propels market growth.

Growth of biologics: The pharmaceutical industry is witnessing a surge in the popularity of biologics, especially injectables like prefilled syringes, due to their ease of handling and enhanced safety. With many biologic drugs nearing patent expiration, the demand for injectable drug delivery devices tailored for biosimilar products is expected to rise significantly.

Global generic injectables industry

In FY23, the global generic injectables market reached a value of US$ 92 billion, growing at a CAGR of approximately 1.8% from FY19 to FY23. China contributed 34% of this market value, while North America accounted for around 28%.

Biologics & Biosimilars

Over the last two decades, biologic drugs have been pivotal in advancing patient care. Derived from living entities or their parts, biologics effectively manage various conditions, including diabetes, cancer, and immune disorders. Despite their therapeutic success, biologics are among the priciest medications, accounting for an increasing portion of total drug costs. Biosimilars, akin to approved 'reference medicines' whose exclusivity has lapsed, offer a cost-effective alternative to biological treatments. They exert competitive pressure on original biologics, fostering savings within the healthcare system and expanding the reach of biologic therapies. Moreover, biosimilars introduce a novel manufacturing business model, promoting enduring innovation and competition in biologics. Maintaining robust competition is crucial for maximising the advantages biosimilars bring.

Contract Development and Manufacturing (CDMO) services for biologics

Biologics-focused Contract Development and Manufacturing Organisations (Biologics CDMOs) provide a range of drug development and manufacturing services to established pharmaceutical giants and rising biotech and biopharma companies supported by venture capital. The surge in demand for Biologics CDMOs is attributed to:

- Big Pharma's intensified commitment to research and development (R&D) and the push towards commercialisation has spurred a robust demand for Biologics CDMOs. These entities are increasingly preferred for outsourcing various drug development and manufacturing stages.
- The global expansion of CDMOs' capabilities has established them as all-encompassing service providers. They deliver comprehensive solutions that span the entire spectrum, from drug discovery and clinical trials to the commercial rollout, catering to the pharmaceutical sector's multifaceted requirements.

India is emerging as the generic pharmacy of the world

The Indian pharmaceutical market is celebrated for its generic medicines and affordable vaccines. According to an IBEF report, it ranks third globally in volume and 14th in value, contributing 1.72% to the GDP. The market, valued at approximately $42 billion, is projected to reach $65 billion by 2024 and $130 billion by 2030. India's pharmaceutical exports for FY23 totalled $25.4 billion, constituting around 20% of global exports in generic drugs. Notably, India boasts approximately 25% of US FDA-registered plants, surpassing all countries except the USA.

In the US generics market, Indian players dominate, with 6 of the top 10 players (by number of prescriptions) and 10 of the top 20 being Indian companies. Among the top 50 companies, 17 are Indian players, commanding a healthy ~41% share of total prescriptions held by the top 50, which collectively hold approximately 92% of the market. In terms of units sold, 5 of the top 10 and 9 of the top 20 companies are Indian, with 19 of them in the top 50 holding ~34% share out of the overall 88.7% market share held by the top 50.

Moreover, India has emerged as a significant player in the vaccine space, boasting approximately 40% of the global manufacturing capacities, significantly higher than that of China and developed nations. This substantial capacity surplus allows India to export vaccines to other countries, particularly low-income and emerging economies across the globe.

About Gland Pharma

Founded in 1978 in Hyderabad, India, Gland Pharma has emerged as a prominent force in the generic injectables market, with a global presence spanning 60 countries, including the United States, Europe, Canada, Australia, and India. The company primarily operates on a B2B model, providing a comprehensive suite of services such as contract development, dossier compilation, technology transfer, and manufacturing across various delivery systems. Over the past four decades, the Company has earned a stellar reputation for its research and development, manufacturing, and marketing of generic injectables. The company is expanding into complex injectables and biologic/biosimilar contract development and manufacturing (CDMO).

The Company's ethos at work is to consistently focus on meeting diverse injectable needs with high-quality products at attractive price points. Building on this foundation, it has successfully harnessed our R&D expertise in synthesising complex molecules to produce niche products for diverse markets worldwide.

Engaged in numerous therapeutic areas, the company caters to a wide array of customer needs with its diverse delivery systems. It is especially noted for its sterile injectables, oncology, and ophthalmic products, offering delivery options such as liquid vials, lyophilised vials, pre-filled syringes, ampoules, bags, and drops.

Advancing with complementary synergies and strengths

In 2022-23, Gland Pharma completed the Acquisition of Cenexi through its wholly-owned subsidiary, Gland Singapore. During FY 2023-24, the Company's primary focus was on integrating its first overseas acquisition, Cenexi, as the Company embarked on the next growth and expansion stage. Cenexi and its subsidiaries specialise in contract development and manufacturing organisation (CDMO) of pharmaceutical products. Renowned for its expertise in sterile liquid and lyophilised fill-finished drugs, including oncology and complex products, Cenexi has swiftly earned acclaim for its sterile expertise, innovation, and high-quality offerings.

Progressing with strategic objectives

- **European market expansion:** Focus on expanding the Company's CDMO offerings in Europe, tapping into an estimated EUR 4 billion opportunity.
- **Strategic roadmap alignment:** Align initiatives with the Company's strategic roadmap, emphasising the establishment of a European manufacturing presence, particularly in the realm of sterile injectables.
- **Niche technology access:** Leverage access to niche technologies such as Needleless Injectors, Ophthalmic Gel, Ointments, and Creams, enhancing the Company's competitive advantage and market positioning.
- **Customer base growth:** Target an increase in the Company's customer base across the EU, with a specific emphasis on attracting clients operating in the biologics sector, thereby diversifying and strengthening the client portfolio.
- **Branded CDMO presence:** Strategically plan to establish the Company's presence in the branded CDMO space in the future, positioning ourselves as a trusted partner and innovator in pharmaceutical manufacturing solutions.

Way forward
The Company's post-merger integration activity revealed areas where Cenexi requires investments and substantial enhancements in operational efficiencies. It holds a reasonable level of confidence in Cenexi's existing clientele, bolstered by the Company's partners' steadfast commitment for the long term. Additionally, the Company is well-positioned for expansion, boasting a robust order book of new programs that have been signed and are progressing through various stages of tech transfer and approval.

Advancing with focus and foresight

Injectables edge: The Company is highly specialised in injectables, positioning itself as a dominant player. With an extensive portfolio of injectable products, the Company caters to vital needs in critical care, oncology, and various other therapeutic domains. This specialisation in injectables has endowed the Company with a distinct competitive edge, securing its robust presence in the international arena.

Technology ecosystem: Our commitment to innovation ensures we stay abreast of the latest advancements in the pharmaceutical industry. This enables us to consistently adopt advanced technologies and implement cost-effective analytical methods with precision and efficiency.

Innovation-led progress: The Company significantly emphasises on research and development, as demonstrated by its state-of-the-art R&D centre. A substantial portion of its revenue is reinvested into R&D, fuelling the creation of innovative drugs and technologies. This strategic investment has allowed the Company to diversify its product offerings and maintain a leading position in the market. Bolstering its R&D capabilities is a dedicated team of scientists whose expertise drives the Company's continuous innovation and success.

Quality-first approach: The Company operates state-of-the-art manufacturing facilities that adhere to international quality standards, including those of the United States Food and Drug Administration (USFDA), the European Medicines Agency (EMA), and the World Health Organization (WHO). With a strong focus on quality control and assurance, the Company ensures the production of high-quality pharmaceutical products distributed globally.

Global expanse: The Company boasts a robust network that spans over 60 countries globally. It has forged strategic partnerships with premier pharmaceutical firms across these nations, which has been instrumental in broadening its international footprint. The Company's unwavering commitment to delivering high-quality products and ensuring customer satisfaction has been pivotal in cementing its esteemed brand image worldwide.

Experienced leadership team: The Company is steered by a seasoned and adept management team that is well-versed in the pharmaceutical sector's intricacies. This team is distinguished by its established history of adeptly overseeing the Company's functions, broadening its international presence, and fostering expansion through inventive strategies and key alliances. The management team is devoted to nurture a sustainable enterprise that consistently provides value to all its stakeholders, encompassing customers, employees, and shareholders.

Our Performance in FY 2023-24

In FY24, our consolidated revenues grew by 56%, reaching ₹ 56,647 million. This was driven by both the integration of Cenexi and strong performance in our base business, which grew by 15% due to new product launches, successful relaunches, and the continued volume growth of our leading products. Our consolidated EBITDA for the year increased to ₹ 13,331 million. While the inclusion of Cenexi, which is still in the process of reaching optimal performance, affected our consolidated EBITDA margins reducing to 24%, our base business EBITDA grew by 38% to ₹ 14,142 million, with base EBITDA margins also increasing to 34%.

Our core markets demonstrated strong performance in FY24, achieving 59% revenue growth and now contributing 75% to our total revenues. This success was fuelled by the introduction of over 50 molecules, including Regadenoson, Ganirelix Acetate, Doxycycline, Octreotide Acetate, Carboprost, and Ketamine, as well as the relaunch of over 30 molecules that were temporarily unavailable due to challenges at the partner's end. Excluding Cenexi, our base business in these markets saw a robust 21% growth.

Our key products, such as Enoxaparin Sodium, Cisplatin, Lacosamide, Rocuronium Bromide Zoledronic Acid, and Vancomycin, continued to perform well, with no significant price fluctuations observed. We are optimistic about these markets' future prospects and confident in our ability to maintain our competitive advantage through ongoing compliance, cost leadership, scale, and our diverse product portfolio.

Our core markets outside the US saw a significant boost from the Cenexi acquisition, achieving 3x growth during the fiscal year. We've been actively working to identify and capitalise on synergies with Cenexi while also expanding our base portfolio in these markets with products already approved in the US.

The Rest of the World markets accounted for 20% of our revenue in FY24, an increase of 63% from FY23. Cenexi volumes primarily drove this increase. We've seen positive traction for some of our products in these markets, and over the next two to three years, we anticipate significant growth in the businesses we've recently seeded. In contrast, the Indian market contributed 5% to our revenue in FY24. We're currently evaluating strategic options to develop a well-considered plan for this market.

The Board of Gland Pharma also recommended its first-ever dividend to shareholders post-listing. The Board recommends a final dividend of ₹ 20 per equity share for the fiscal year ending March 31, 2024, subject to the approval of the shareholders.

Our total R&D expenses amounted to ₹ 1,774 million, representing 4.3% of our base business revenue. We filed 19 ANDAs throughout the year and received approval for 24 ANDAs. As of March 31, 2024, Gland and its partners had filed 349 ANDAs in the United States, with 286 approved and 63 pending approvals. The company currently holds 1,667 product registrations worldwide.

While our progress in the Chinese market has been slower than anticipated, we have filed nine products so far, of which three have been approved. We've commercialised one product, but its contribution has not yet been substantial. We're actively reassessing our approach and identifying strategies to achieve more significant success in China, a vast market with considerable potential.

Regarding complex injectables, we targeted to develop 19 molecules addressing a market size worth ~USD 9 billion as per IQVIA. To date, we've received six approvals, of which four products have been launched. We recently launched Eribulin as our first major complex product in this category.

The next two years will be crucial for realising meaningful results from our complex product portfolio. We're also exploring potential acquisitions, co-development, and in-licensing opportunities to accelerate our growth and strengthen our position in this segment.

While biologics represent a long-term play, our immediate priority is to obtain regulatory approvals for our facility through our existing business and potential near-term wins. Overall, biologics remain a key driver for our future growth.

This has been a good year for quality and operations, with over ~40 successful audits completed, including those by regulators and partners. We remain committed to maintain compliance as a core pillar of our strategy, ensuring it's deeply ingrained in our culture and every business decision.

For the 11 months of FY24, Cenexi's revenue totalled ₹ 14,878 million, with a gross margin of 76% and a negative EBITDA of ₹ 812 million. The revenue decline was primarily due to operational disruptions and breakdowns, which led to a backlog of orders. Additionally, there was a delay in executing the tech transfer for the new business, which was intended to replace the phasing-out business. We're actively investing in capacity expansion, capability enhancement, and optimising our filling and packaging lines to ensure consistent execution. Our long-term turnaround plan also addresses critical areas like hiring needs, operational excellence, supply chain efficiency, and integrating value-adding technologies. While achieving the full potential of the acquisition has been delayed, the thesis behind the acquisition is intact, and we remain confident in Cenexi's strong medium—to long-term outlook.

Business performance

(₹ in million)

Particulars	YoY Growth	FY2023-24		FY2022-23	
		Revenue	Rev.(%)	Revenue	Rev.(%)
B2B - IP led - Own ANDA	63%	19,432	34%	11,957	33%
B2B - IP led - Partner ANDA	-18%	14,013	25%	17,059	47%
B2B - Tech Transfer	267%	22,030	39%	5,999	17%
B2C - India	4%	942	2%	904	2%
Export Incentives - India	-30%	230	0%	327	1%
Total	**56%**	**56,647**	**100%**	**36,246**	**100%**

(₹ in million)

Market wise	3 Y CAGR	YoY	FY2023-24		FY2022-23		FY2021-22		FY2020-21	
			Revenue	Rev.(%)	Revenue	Rev.(%)	Revenue	Rev.(%)	Revenue	Rev.(%)
Australia	57%	185%	622	1%	218	1%	171	0%	160	0%
New Zealand	0%	524%	68	0%	11	0%	-	-	-	-
Canada	10%	11%	885	2%	796	2%	829	2%	659	2%
Europe	92%	469%	10,648	19%	1,870	5%	2,398	5%	1,508	4%
India	-11%	12%	2,810	5%	2,501	7%	6,278	14%	3,928	11%
USA	10%	27%	30,375	54%	23,956	66%	25,850	59%	22,918	66%
ROW	27%	63%	11,239	20%	6,894	19%	8,481	19%	5,455	16%
Total	**18%**	**56%**	**56,647**	**100%**	**36,246**	**100%**	**44,007**	**100%**	**34,629**	**100%**

Key financial ratios

Ratio	FY2023-24	FY2022-23	% Change
Debtors' turnover	4.66	3.72	25%
Inventory turnover	2.41	1.53	58%
Interest coverage ratio	50.88	137.61	-63%
Current ratio	4.04	9.46	-57%
Debt equity ratio	0.04	0	100%
EBITDA margin (%)	24%	28%	-14%
Net profit margin (%)	14%	22%	-36%
Return on net worth (%)	9%	11%	-18%

Note: Ratios of current year are not comparable due to acquisition of Phixen SAS

Outlook

In addition to the anticipated turnaround at Cenexi, to maintain our growth trajectory, we have identified key strategies that will propel us forward:

- **Expanding our global footprint:** We will strategically focus on expanding our presence in the US, Europe, and other key regions.
- **Enhancing our portfolio:** We will actively pursue In-Licensing, Complex Development, and Co-Development initiatives to enrich our product offerings.
- **Strengthening our biologics capabilities:** Recognizing the increasing demand for biologics, we will continue to invest in and fortify our CDMO in biologics.
- **Integrating ESG into our core:** We are committed to integrate Environmental, Social, and Governance (ESG) considerations into our core business strategy.

We are optimistic about the future and believe our best moments are yet to come. By leveraging our core strengths, including our unique business model, ongoing focus on operational efficiencies and innovation, and unwavering commitment to stringent quality and compliance, we are confident in our ability to navigate the challenges of both domestic and global markets. This agile approach will enable us to achieve sustained growth and create lasting value.

Human resources

The Company recognises its employees as an integral role in its success and remains steadfast in cultivating a workplace that supports their development, performance, and upward mobility. Its strategic approach involves attracting exceptional talent, providing them with the necessary tools to enhance their skills, and paving the way for their advancement into leadership positions.

The Company's commitment to build a strong and diverse workforce is driven by the belief that a motivated and inclusive team is crucial for long-term business prosperity. This past year, the Company has focused on capability building, emphasising enhancing its employees' skills and expertise.

As a proponent of equal opportunity, the Company promotes active and constructive engagement in all company facets. Its policies are designed to ensure fairness and neutrality, advocating for a collaborative culture where meritocracy thrives and shared objectives and ambitions unite teams. The Company has established extensive training programs aimed at significantly improving the knowledge, skills, attitudes, and social behaviour of the workforce.

The Company has expanded its team and nurtured a culture that encourages active engagement, creativity, and motivation among the staff. The health, safety, and well-being of employees have always been top concerns.

The Company has instituted a thorough health and safety policy supported by rigorous due diligence processes to ensure a safe and secure working environment. Our workforce of 4,217 employees demonstrates the Company's commitment to employee welfare.

By developing a diverse and empowered workforce, the Company aims to create a setting where every employee can flourish and contribute to its overall growth and achievement.

Risk Management

Risk management is pivotal in the Company's operations, reflecting its proactive stance towards organised risk mitigation. Operating across diverse sectors exposes the Company to various risks, including economic, political, legal, environmental, operational, and currency fluctuations.

Under the supervision of the Risk Management Committee, the Company has devised a comprehensive risk management strategy, which the Executive Management team regularly reviews and monitors. The committee assesses initiatives to bolster the risk management framework, which is aligned with the Company's growth strategy and the evolving business landscape.

To augment its risk management capabilities, the Company has enlisted the services of a global risk management consultant, reinforcing the overall risk management structure. Risks are meticulously categorised as internal and external, fostering a robust risk culture promoting agility, accountability, and effective governance.

By prioritising risk management, the Company aims to navigate uncertainties with resilience, ensuring sustainable growth while adhering to responsible and informed decision-making principles.

Risk management committee

Ms. Naina Lal Kidwai	(Chairperson & Independent Director)
Mr. Srinivas Sadu	(CEO & Managing Director)
Mr. Yao Fang	(Non-Executive Director)
Mr. Ravi Shekhar Mitra	(CFO)

Future growth strategy

The Company's future strategy will centre around core components: geographical expansion, portfolio development, collaborative partnerships, and international business integration.

In the United States, our focus is on developing complex products and high-end innovations. We prioritise in-licensing opportunities and strategic partnerships for product development, leveraging our collaboration with Cenexi in Europe to maximise opportunities in the European market. Outside the US and Europe, we target markets where US-approved products have the most significant potential to expand our presence and drive growth.

We actively seek to license innovative products and technologies to expand our portfolio and access new markets efficiently. Specialising in complex pharmaceutical products, we address unmet medical needs and differentiate ourselves in the market. Collaboration is integral as we partner with companies, research institutions, and organisations to accelerate the development process and bring innovative products to market faster.

Our initiative involves establishing a bio-similar Contract Development and Manufacturing Organisation (CDMO) that expands beyond biosimilars. Focusing on biologics, complex fill-finish processes, and new dosage formats, we aim to meet the growing demand for innovative biopharmaceutical products and enhance our capabilities in the rapidly evolving biologics market.

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 and continuously improved over the years through investments in enhancing the control framework and processes. This is in addition to the existing embedded controls, standards, and monitoring controls already in place.

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 Operating Officer, Chief Technical Officer / Head of Quality, 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 24 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. Mr. Satyanarayana Murthy Chavali has been reappointed as an Independent Director for a further period of five years with effect from November 20, 2023.

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 Shenyin & 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 a Non-Executive Director of your Company. 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
Total			**9**	**100.00**

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. Satyanarayana Murthy Chavali, Independent Director of the Company has completed his first term of five years and being eligible had been reappointed for a further term of five years with effect from November 20, 2023 in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Mr. Yiu Kwan Stanley Lau, Chairman of the Company would retire as an Independent Director of the Company upon completion of his first term as an Independent Director with effect from the closing hours of June 9, 2024. Mr. Yiu Kwan Stanley Lau may be reappointed as an Independent Director for another term of five years, subject to the receipt of security clearance from Ministry of Home Affairs, Government of India, and the approval of the shareholders of the Company.

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 25th March, 2024. 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 2023-24, the Company comprehensively updated the familiarisation programme to cover its enhanced initiatives and inclusion of brief topics discussed during FY 2022-23. 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.

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 5 times on 18th May 2023; 7th August 2023; 17th October, 2023; 6th November, 2023 and 14th February, 2024.

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.

Attendance of the Directors

Information about the attendance of directors at the Board meetings either in person or through video conference during FY 2023-24 and at the last Annual General Meeting (AGM) is stated below:

Sl. No.	Name of the Director	Particulars		
		No. of Board Meetings Director was entitled to attend	No. of Board Meetings Participated	Last AGM (31.08.2023)
1	Mr. Yiu Kwan Stanley Lau	5	5	Yes
2	Mr. Srinivas Sadu	5	5	Yes
3	Mr. Qiyu Chen	5	2	Yes
4	Mr. Udo Johannes Vetter	5	5	No
5	Mr. Satyanarayana Murthy Chavali	5	5	No
6	Mr. Essaji Goolam Vahanvati	5	5	Yes
7	Ms. Naina Lal Kidwai	5	5	Yes
8	Dr. Jia Ai (Allen) Zhang	5	5	Yes
9	Mr. Yao Fang	5	5	Yes

Remuneration to Directors: The details of remuneration to directors during FY 2023-24 are given below:

Executive Director

(Amt in ₹ Mn)

Name of the Director	Salary	Commission	PF	Perquisites	Others	Total
Mr. Srinivas Sadu	66.88	-	3.27	-	-	70.15

Non-Executive Directors

(Amt in ₹ Mn)

Sl. No.	Name of the Director	Particulars of remuneration			Total amount
		Sitting fees	Commission	Others	
Independent Directors					
(i)	Mr. Satyanarayana Murthy Chavali	0.50	2.50	-	3.00
(ii)	Mr. Yiu Kwan Stanley Lau	0.50	5.00	-	5.50
(iii)	Mr. Essaji Goolam Vahanvati	0.50	2.50	-	3.00
(iv)	Mr. Udo Johannes Vetter	0.50	2.50	-	3.00
(v)	Ms. Naina Lal Kidwai	0.50	10.00	-	10.50

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 2023-24. None of the Non-Executive Directors were paid Sitting fee. 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 31st March, 2024.

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. Satynarayana 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 Director's 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 million 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 five times on 18th May 2023; 07th August 2023; 06th November 2023; 14th February 2024 and 25th March 2024.

Composition and attendance of Audit Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	5
Mr. Essaji Goolam Vahanvati	Member	Independent Director	5
Mr. Udo Johannes Vetter	Member	Independent Director	5

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.

There was 100% attendance of all the members at the Audit Committee meetings held during FY 2023-24. The Chairman of the Committee could not attend the Annual General Meeting of the Company held on 31st August, 2023 due to his personal exigencies and accordingly Mr. Essaji Goolam Vahanvati, member of the Committee was nominated as representative of the Committee to answer the queries raised by the shareholders.

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 five times on 18th May 2023; 7th August, 2023, 10th October, 2023;14th February 2024 and 25th March 2024.

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	5
Mr. Essaji Goolam Vahanvati	Member	Independent Director	5
Mr. Udo Johannes Vetter	Member	Independent Director	5

There was 100% attendance of the all the members at the Nomination and Remuneration Committee meetings held during FY 2023-24. The Chairman of the Committee could not attend the Annual General Meeting of the Company held on 31st August, 2023 due to his personal exigencies and accordingly Mr. Essaji Goolam Vahanvati, member of the Committee was nominated as representative of the Committee to answer the queries raised by the shareholders.

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 (Non-Executive Director) and Mr. Srinivas Sadu (Executive Director) 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:
(1) 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;
(2) Review of measures taken for effective exercise of voting rights by shareholders;
(3) 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
(4) 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 31st March, 2024:
Complaints received during the year: NIL

Complaints resolved during the year: NIL

Complaints pending at the end of the year: NIL

During the year under review, the Stakeholders' Relationship Committee and Share Transfer Committee met four times on 18th May, 2023; 07th August, 2023; 06th November, 2023 and 14th February, 2024.

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	2

There was 83.33% attendance of all the members at the Stakeholders' Relationship Committee and Share Transfer Committee meetings held during FY 2023-24. The Chairman of the Committee could not attend the Annual General Meeting of the Company held on 31st August, 2023 due to his personal exigencies and accordingly Mr. Srinivas Sadu, member of the Committee was nominated as representative of the Committee to answer the queries raised by the shareholders.

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.

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

Role of CSR Committee:
a. 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;
b. 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;
c. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
d. 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;
e. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
f. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
g. 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 once on 18th May 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	1
Mr. Essaji Goolam Vahanvati	Member	Independent Director	1
Dr. Jia Ai (Allen) Zhang	Member	Non-Executive Director	1

The average attendance of the members at the CSR Committee meetings during FY 2023-24 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:
1. To formulate a detailed risk management policy which shall include:
   a. 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.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business Continuity Plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. 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;
8. Review the adequacy and effectiveness of various risk management initiatives of the organisation and approve appropriate risk management framework;
9. Provide directions to ensure effective implementation of various risk management practices across the organization;
10. Review of Risk Register and Risk Profile (including mitigation plans) of the organisation;
11. Establishment of the risk management structure and authorizing roles and responsibilities for key stakeholders;
12. Allocating adequate resources for treating critical risks and (or) risk events;
13. Monitor and review the risk management plan; and
14. 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 twice on 21st August, 2023 and 12th February, 2024.

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	1
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 2023-24 was 87.5%.

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:

a. To act upon and implement the ESOP Scheme, 2019 (Scheme);
b. To grant options to employees or Directors of the Company as per the Scheme;
c. To formulate from time to time any new Employee Stock Option scheme, subject to the Employee Stock Option Plan, 2019;
d. To decide or modify or alter the terms and conditions of any new ESOPS Scheme;
e. 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;
f. To make suggestions or recommendations to the Board of Directors as may be required from time to time about proposal for ESOPS;
g. To decide upon eligibility, grant of options, exercising options, ceasing of options, cancellation of options;
h. To allot shares to the Grantees upon exercise of their options; and
i. To take up any other matter relating to the present and future ESOP Scheme.

During the year under review, the ESOP Compensation Committee met thrice on 10th October, 2023; 14th February, 2024 and 25th March, 2024.

Composition and attendance of ESOP Compensation 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	3
Mr. Udo Johannes Vetter	Member	Independent Director	3

The average attendance of the members at the ESOP Compensation Committee meetings during FY 2023-24 was 100%.

Policies
In pursuance of the Company's policy to adhere to the ethical and governance standards, the Company, has inter-alia, the following polices and codes. All of them are available on the website – www.glandpharma.com

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

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 an annual 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

The Company has Wholly Owned subsidiary i.e., Gland Pharma International Pte. Ltd, and Wholly- owned step down subsidiary i.e., Gland Pharma USA, Inc.

During the year under review, 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 27th April, 2023.

Based on the audited financial statements for the financial year 2023-24, Gland Pharma International Pte. Ltd and Phixen SAS qualify to be the Material Subsidiaries as per Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Udo J Vetter and Mr. Stanley Y Lau, Independent Directors of the Company have been appointed on the Boards of Phixen SAS and its subsidiaries (Cenexi group) and Gland Pharma International Pte. Ltd respectively.

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 2023-24, 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 2023-24 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 2023-24.

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 15th November, 2018.

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

During FY 2023-24, the Company has not raised funds through Initial Public Offer or any other private placement or preferential offer. However, the Company had allotted 9,700 fully paid-up equity shares of ₹1/- each to its employees under the Employee Stock Option Scheme, 2019 during the period under review.

Certificate on eligibility status of Directors:

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 31st March, 2024 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:

(₹ in million)

Type of service	Year Ended 2023-24*	Year Ended 2022-23
Audit and related services	23.93	13.18
Other services	4.80	22.85
Total	**28.73**	**36.03**

*Includes ₹ 8.79 paid to erstwhile auditors and their network firms.

During FY 2023-24, 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 2023-24: -

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 31st March, 2024	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 have 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:

1. 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.
2. The auditors' report on financial statements of the Company is unmodified.
3. 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: Business Standard (All Editions) 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

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 2023-24 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
45th	31-03-2023	Through video conferencing (VC)/ other audio-visual means (OAVM).	31.08.2023	11.00 A.M
44th	31-03-2022	Through video conferencing (VC)/ other audio-visual means (OAVM).	30.08.2022	11.00 A.M
43rd	31-03-2021	Through video conferencing (VC)/ other audio-visual means (OAVM).	26.08.2021	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: 17th October 2023
- Date of declaration of results: 20th November, 2023
- Voting period: 20th October 2023 to 18th November 2023

Details of the Resolution	Type of 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 Reappoint Mr. Satyanarayana Murthy Chavali (DIN 00142138) as an Independent Director of the company and consider commission on profits as remuneration to him.	Special Resolution	134,636,171	130,651,840	97.04%	3,984,331	2.96%

- Ms. D Soumya, 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 ordinary resolution through postal ballot and the resolution passed is special resolution only.
- **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 besides being communicated to the stock exchanges, depositories and RTA.

General Shareholder Information:

Date, Time and Venue of the AGM	Friday, 30th August, 2024 at 11.00 AM. 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	1st April to 31st March of the next calendar year
Tentative calendar for declaration of Financial Results in FY 2024-25 (Tentative Schedule, subject to change)	
For the quarter ending 30th June, 2024	August 06, 2024
For the quarter and half year ending 30th September, 2024	November 04, 2024
For the quarter and nine months ending 31st December, 2024	February 03, 2025
For the fourth quarter and financial Year ending 31st March, 2025	May 20, 2025
Trading window closure for financial results	From the 1st day from close of every quarter till the completion of 48 hours after the financial results/ UPSI becomes generally available
Date of Book Closure	Not applicable (Record date for Dividend - August 16, 2024)
Dividend and Dividend Payment Date	₹ 20/- per share; to be paid within 30 days of Shareholders approval in the ensuing AGM
Listing on Stock Exchanges	**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 2024-25.
Stock Code	543245 (BSE)
Symbol	GLAND (NSE)
ISIN Number for NSDL & CDSL	INE068V01023

Address for Correspondence:

For Individual Investors, Grievance and Secretarial matters

Mr. Sampath Kumar Pallerlamudi
Company Secretary & Vice-President (Compliance & CSR)
Tel: +91 8455699999 | Ext: 1194
E-mail: investors@glandpharma.com

For Institutional Investors & Financial Analysts

Mr. Ankit Gupta
Head – Investments, Strategy & Investor Relations
Tel: +91 8455699999 | Ext: 1431
E-mail: Ankit.gupta@glandpharma.com

Corporate Office:

Plot No. 11 & 84, TSIIC, 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

1. Sy. No. 143-148, 150 & 151, D.P. Pally, Dundigal (Post), Hyderabad – 500 043. Telangana, India
2. Unit-I, Plot No.54, 55 & 64 – 68, Phase – III, Industrial Park, Pashamylaram (V), Patancheru (M),Sangareddy District, Hyderabad – 502 307, Telangana, India
3. Unit-II, Plot No.42-52, Phase – III, Industrial Park, Pashamylaram (V), Patancheru (M), Sangareddy District Hyderabad – 502 307, Telangana, India
4. Unit II, Block C, Phase I, Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam - 530 046, Andhra Pradesh, India

API Facilities

1. Plot No.9, Sy No.542(P), Genome Valley, Kolthur Village, Shamirpet Mandal, Medchal - Malkajgiri District, Hyderabad - 500 078 Telangana, India
2. Unit I, Block C, Phase I, Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam - 530 046, Andhra Pradesh, India
3. Plot No.49 & 50, Jawaharlal Nehru Pharmacity, Parawada (M), Visakhapatnam – 531 019, Andhra Pradesh, India

Persons holding 1% or more of the equity shares of the Company as on 31st March, 2024

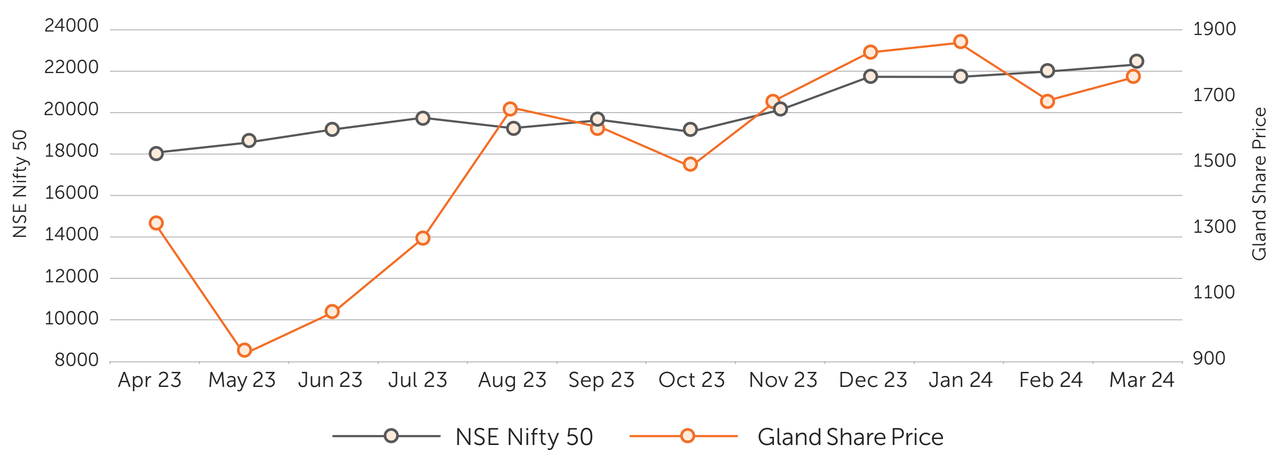
Name	No. of shares	%
Fosun Pharma Industrial Pte. Ltd	95,293,894	57.86
Mirae Asset Mutual Fund	10,201,140	6.19
Nippon India Mutual Fund	9,109,149	5.53
SBI Mutual Fund	5,891,816	3.58
HDFC Mutual Fund	5,075,035	3.08
UTI Mutual Fund	2,069,275	1.26
ICICI Mutual Fund	2,002,271	1.22
RP Advisory Services Private Limited	6,166,486	3.74
Nicomac Machinery Private Limited	1,956,452	1.19

Market Price Data for the period from 1st April, 2023 to 31st March, 2024

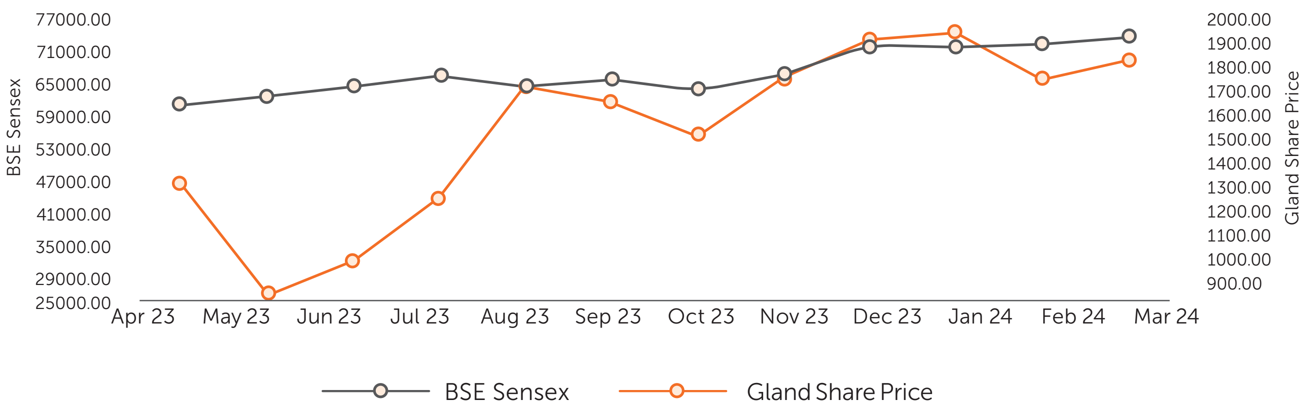
Month (FY 2023-24)	BSE Limited			National Stock Exchange of India Limited		
	High	Low	Shares traded	High	Low	Shares traded
Apr-23	1,475.00	1,222.00	590,321	1,477.85	1,222.00	18,063,539
May-23	1,430.00	861.50	1,305,401	1,429.10	861.00	26,943,944
Jun-23	1,085.00	914.65	1,751,226	1,085.75	920.00	20,204,873
Jul-23	1,393.45	1,040.30	1,546,839	1,393.95	1,040.05	17,849,971
Aug-23	1,774.90	1,263.00	1,980,803	1,775.80	1,265.65	29,446,324
Sep-23	1,810.00	1,618.70	450,570	1,810.85	1,616.45	6,974,985
Oct-23	1,716.95	1,477.00	150,680	1,718.00	1,475.05	5,388,566
Nov-23	1,817.15	1,488.00	532,328	1,817.70	1,486.65	10,420,273
Dec-23	1,995.00	1,736.00	388,005	1,997.00	1,735.00	6,877,345
Jan-24	2,056.50	1,849.45	533,386	2,057.60	1,845.80	4,335,543
Feb-24	2,195.75	1,735.00	313,979	2,194.00	1,732.90	6,877,729
Mar-24	1,850.00	1,659.05	148,021	1,851.00	1,666.80	3,582,675

Charts given below shows the stock performance at closing prices in comparison to the broad-based index such as NSE Nifty 50 and BSE Sensex.

NSE Vs Gland Pharma Limited (2023-24)



BSE Vs Gland Pharma Limited (2023-24)



Distribution of shareholding as on 31st March, 2024 (Class-wise distribution of equity shares)

Category	No. of Folios	% of Total	No. of shares	% of Total
1 - 5,000	124,421	99.82	4,590,866	2.79
5,001 - 10,000	50	0.04	358,940	0.22
10,001 - 20,000	30	0.02	445,831	0.27
20,001 - 30,000	9	0.01	235,452	0.14
30,001 - 40,000	10	0.01	340,878	0.21
40,001 - 50,000	8	0.01	353,003	0.21
50,000 - 100,000	31	0.02	2,233,484	1.36
100,001 & above	89	0.07	156,152,069	94.80
Total	**124,648**	**100.00**	**164,710,523**	**100.00**

Dematerialisation of Shares and Liquidity

As on 31st March, 2024; 158,708,123 shares of the share capital was held in dematerialised form.

Break-up of shares held in physical and dematerialised form as on 31st March, 2024:

Category	No. of Folios	% of Total	No. of shares	% of Total
Physical Mode*	12	0.01	6,002,400	3.65
Dematerialised Mode	122,363	99.99	158,708,123	96.35

* The Company has allotted 2,400 Equity Shares under ESOP in Demat mode on 25th March 2024 and the same were credited in temporary ISIN on 28th March, 2024. After trading approval from NSE and BSE the shares were credited to permanent ISIN on 2nd April, 2024. Accordingly, 2,400 shares allotted on 25th March 2024 were not included in dematerialised shares category.

Details of Material Subsidiaries:

1. **Gland Pharma International Pte. Ltd**
   Date of Incorporation: March 10, 2021
   Place of Incorporation: Singapore
   Details of the Statutory Auditor Appointed: Deloitte & Touche LLP

2. **Phixen SAS and its subsidiaries ('Cenexi Group')**
   Date of Incorporation: April 27, 2023 (date of acquisition by Gland Pharma International Pte. Ltd)
   Place of Incorporation: France
   Details of the Statutory Auditor Appointed: KPMG and Mazars

Particulars of changes among Senior Management Personnel (SMP) of the Company during the year:

S. No	Name	Designation	Changes, if any during the year
1.	Mr. Srinivas Sadu	MD & CEO	NA
2.	Mr. Ravi Shekhar Mitra	Chief Financial Officer	NA
3.	Mr. Sampath Kumar Pallerlamudi	Company Secretary & Vice President (Compliance & CSR)	NA
4.	Mr. Prakash Vithal Baliga#	Chief Operating Officer	NA
5.	Mr. Manish Bharadwaj	Vice-President, Human Resources	NA
6.	Dr. C S Venkatesan	Sr. Vice President (R&D)	NA
7.	Dr. S Sridevi	Sr. Vice President (R&D)	NA
8.	Mr. K V G K Raju	Chief Technical Officer & Head of Quality	Retired from his office as SMP with effect from March 29, 2024
9.	Mr. Susheel Ogra	Asst. Vice President and Head of Domestic Marketing	Retired from his office as SMP with effect from March 25, 2024
10.	Mr. Ankit Gupta	Head – Investments, Strategy and Investor Relations	Categorized as SMP with effect from September 04, 2023
11.	Mr. Surinder Koul	Head of the Domestic Marketing	Categorized as SMP with effect from March 26, 2024
12.	Mr. K. Raghuram Chadra Rao	Head of Quality	Categorized as SMP with effect from March 30, 2024

Mr. Prakash Vithal Baliga, Chief Operating Officer and SMP of the Company has tendered resignation to his office in the Company and consequently ceased to be the SMP with effect from April 30, 2024.

Mr. Satnam Singh Loomba, has been appointed as the Chief Operating Officer replacing Mr. Prakash Vithal Baliga and consequently designated as SMP with effect from May 1, 2024.

Disclosure of certain types of agreements binding listed entities:

There are no such agreements falling under the purview of clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015.

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 31st March, 2024.

For Gland Pharma Limited

Date: May 22, 2024
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, 2024 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 (held in the FY 2023-24 during tenure)	Attendance at last AGM held on 31st August 2023	No. of Directorships held in other Indian Listed companies (excluding Gland Pharma Limited) as on 31st March, 2024	Name of other listed companies where he/she is a Director (category of Directorship) as on 31st March, 2024	No. of Committee memberships/ Chairpersonships held in Indian public companies (including Gland pharma Limited) as on 31st March, 2024	
						Memberships	Chairpersonships
Mr. Yiu Kwan Stanley Lau	Independent Director	5	Yes	NIL	NIL	NIL	NIL
Mr. Srinivas Sadu	MD & CEO	5	Yes	NIL	NIL	1	NIL
Mr. Qiyu Chen	Non-Executive Non-Independent Director	2	Yes	NIL	NIL	NIL	NIL
Mr. Udo Johannes Vetter	Independent Director	5	No	NIL	NIL	1	NIL
Mr. Satyanarayana Murthy Chavali	Independent Director	5	No	1	Vijaya Diagnostic Centre Limited - Independent Director	4	3
Mr.Essaji Goolam Vahanvati	Independent Director	5	Yes	1	Elcid Investments Limited - Independent Director	1	NIL
Dr. Jia Ai (Allen) Zhang	Non-Executive Non-Independent Director	5	Yes	NIL	NIL	NIL	NIL
Ms.Naina Lal Kidwai	Independent Director	5	Yes	2	1. UPL Limited – Independent Director 2. Biocon Limited – Independent Director	2	1
Mr.Yao Fang	Non-Executive Non-Independent Director	5	Yes	NIL	NIL	1	NIL

ANNEXURE- B

CERTIFICATION BY CEO & CFO

Under Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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, 2024, 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:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2. 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:

   1. there are no significant changes in internal controls over financial reporting during the year;

   2. there are no significant changes in accounting policies during the year; and

   3. 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
Date: 22.05.2024

Ravi Shekhar Mitra
Chief Financial Officer

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 **01st April, 2023 to 31st March, 2024**. 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 31st March, 2024.

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: F011754F000427158
Peer Review Cert. No.: 3175/2023

Place: Hyderabad
Date: 22nd May, 2024

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 Ltd.
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 31st March, 2024 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

*DIN of the Directors are deactivated by MCA, due to non-filing of DIR-3 Web KYC with in due date i.e. 30th September, 2023, due to technical issues in delivering OTPs to foreign Directors email & mobiles. Deactivation of Din does not disqualify the Directors under section 164 of the Companies Act, 2013.

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
FCS. No: 11754
CP. No. 13199
UDIN: F011754F000427147
Peer Review Cert. No.: 3175/2023

Place: Hyderabad
Date: 22nd May, 2024

Boards' Report

Dear Members,

Your Board of Directors are pleased to present the 46th Annual Report on the performance of the Company, along with the audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2024.

CORPORATE AFFAIRS & FINANCIAL HIGHLIGHTS

Financial Highlights

(₹ in Mn)

Particulars	Standalone Financial Year 2024	Consolidated Financial Year 2024	Standalone Financial Year 2023	Consolidated Financial Year 2023
Income	43,340.94	58,349.57	38,569.92	38,650.64
Profit Before Interest, Taxes, Depreciation and Amortisation	15,754.47	15,033.08	12,590.13	12,652.26
Finance cost	(78.43)	(262.00)	(74.14)	(74.47)
Profit Before Depreciation, Amortisation and Tax	**15,676.04**	**14,771.08**	**12,515.99**	**12,577.79**
Depreciation and Amortisation	(1,621.07)	(3,445.66)	(1,467.36)	(1,467.36)
Profit Before Exceptional Items and Tax	**14,054.97**	**11,325.42**	**11,048.63**	**11,110.43**
Exceptional Items	-	-	(564.61)	(564.61)
Profit Before Tax	**14,054.97**	**11,325.42**	**10,484.02**	**10,545.82**
Provision for Taxation				
Current tax	(3,410.20)	(3,492.99)	(2,761.94)	(2,771.57)
Deferred tax	(246.84)	(143.34)	27.99	27.99
Taxes for earlier years	35.32	35.51	8.19	8.19
Profit After Tax	**10,433.25**	**7,724.60**	**7,758.26**	**7,810.43**
Total other Comprehensive Income / (Loss) for the year, net of tax	(18.60)	(78.65)	(22.52)	(14.38)
Total Comprehensive Income for the year, net of tax	**10,414.65**	**7,645.95**	**7,735.74**	**7,796.05**
Earnings Per Share (₹)				
(for Equity share of ₹ 1/- each)				
Basic	63.35	46.90	47.12	47.44
Diluted	63.33	46.89	47.11	47.43

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

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014; the Annual Return of the Company as on March 31, 2024 is available on the Company's website and can be accessed at https://glandpharma.com/investors/annual-return#annual-return-2023-24

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

During the year under review, the Board of Directors met five times on May 18, 2023; August 7, 2023; October 17, 2023; November 6, 2023 and February 14, 2024. The maximum interval between any two meetings of the Board of Directors did not exceed 120 days, as prescribed by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

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 31st March, 2024; 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, 2024 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)(iiia) 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 granted exemption from appearing for, and One Independent Director has qualified, the Online Proficiency Self-Assessment test conducted by IICA.

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:

a) their qualification

b) past record, especially their credentials and achievements, experience, past remuneration

c) job profile and suitability

d) comparative remuneration with the industry in line with the size and profits of the Company

e) their pecuniary relationship with the promoters.

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

a) their qualification

b) credentials, past experience in the fields of finance, management, technology, taxation and other related fields

c) expertise in similar industry

d) 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, the Code of Conduct of the Board of Directors and Senior Management Personnel and the Nomination and Remuneration policy are available on the Company's website and can be accessed at https://glandpharma.com/investors/corporate-governance#governance-policies

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

The Independent Auditor's Report on Standalone Financial Statements and Consolidated Financial Statements given by M/s. Deloitte Haskins & Sells, 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, 2024 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 would be submitted to the Stock Exchanges within 60 days from the end of the Financial Year and the same would be available on the websites of the Stock Exchanges and the Company and can be accessed at https://glandpharma.com/images/ASCR_FY24.pdf

The Secretarial Auditors' Certificate on the implementation of share-based schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be made available at the Annual General Meeting, electronically.

A certificate issued by M/s. RVR & Associates, Company Secretaries confirming the compliance with conditions of corporate governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for FY 2023-24 is enclosed as **Annexure-C** to the 'Report on Corporate Governance', which forms part of this Annual Report.

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

The 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. However, your Company has made the following investment in its wholly owned subsidiary during the year under review.

S. No	Date of Investment	Name of the Entity and Relationship	Amount	Purpose
1	April 25, 2023	Gland Pharma International Pte. Ltd (Wholly owned subsidiary of Gland Pharma Limited)	Euro 208.71 Mn	Towards downstream investment in the form of Equity/Loan to Phixen SAS and its subsidiaries (Cenexi Group)
2	November 03, 2023		Euro 25.14 Mn	
3	March 13, 2024		Euro 29.96 Mn	

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 and approved by the Audit Committee. Majority of the transactions are repetitive in nature and the same were approved by the Audit Committee through omnibus approval. There were no material transactions [as defined by the Companies Act, 2013 and the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015] made by the Company with any of its Related parties during the year under review. The Company does not have any related party transactions, which may have potential conflict with the interests of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.

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.

Members may refer to Note 40 to the Standalone Financial Statement 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 ₹ 43,340.94 Mn as against ₹ 38,569.92 Mn during the previous year.

Exports

Exports contribution to the revenue of the Company is approximately 86.37%. Your Company exports to almost 65 countries across 6 continents. During the year, the Company has achieved an export turnover of ₹ 35,794.44 Mn.

Domestic Operations

The Domestic sales during the year 2023-24 amounts to ₹5,649.94 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 ₹ 3,410.20 Mn for the period under review as against ₹ 2,761.94 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 ₹ 32.61 Mn was classified as borrowings as per Indian Accounting Standards.

Capital Expenditure

During the year under review, the Company has incurred capital expenditure of ₹ 2,335.90 Mn at its manufacturing facilities at Dundigal, Pashamylaram, Shamirpet, VSEZ and Pharmacity and an amount of ₹ 33.32 Mn for purchase of other intangibles.

Share Capital

During the year under review, the Company has issued and allotted 9,700 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 ₹ 164,700,823/- (divided into 164,700,823 equity shares of ₹1/- each) to ₹ 164,710,523/- (divided into 164,710,523 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 proposed to be transferred to the General Reserve on declaration of dividend.

Dividends [Section 134(3)(k)]

The Board of Directors has recommended a final dividend of 2000% i.e., ₹ 20/- per Equity share of ₹1/- for this financial year. The final dividend is payable subject to the approval of the shareholders in the ensuing Annual General Meeting. The 'Record date' for the purpose of determining the entitlement of Members to receive the dividend is August 16, 2024.

The dividend income is taxable in the hands of the Members of the Company and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961. The remittance of dividend outside India is also subject to withholding tax at applicable rates.

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)]

During the year under review, 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 to as "Cenexi") and 3 (three) holding companies (holding approximately 6.28% shareholding in Cenexi, hereinafter referred to as "Cenexi Holding Entities") on 27th April, 2023.

Further, based on the audited financial statements for the financial year 2023-24, Gland Pharma International Pte. Ltd and Phixen SAS qualify to be the Material Subsidiaries as per the Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Udo J Vetter and Mr. Stanley Y Lau, Independent Directors of the Company have been appointed on the Boards of Phixen SAS (Cenexi group) and Gland Pharma International Pte. Ltd respectively.

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 2023-24, 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/GLAND-ESOPs%20Certificate-2024.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

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

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. Satyanarayana Murthy Chavali has been reappointed as the Independent Director of the Company for a term (second) of five years with effect from November 20, 2023 by passing special resolution vide postal ballot notice dated October 17, 2023.

As per the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company; Mr. Yao Fang and Mr. Srinivas Sadu, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Chen Qiyu, Non-Executive and Non-Independent Director was appointed as a Director not liable to retire by rotation on October 3, 2017. Pursuant to Regulation 17(1D) inserted by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; continuation of Mr. Chen Qiyu as a Director is subject to the approval of the Shareholders in 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 31st March 2024; 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
3. Manxen SAS, a Wholly owned Step-Down Subsidiary (Wholly-owned Subsidiary of Gland Pharma International Pte. Ltd.), incorporated in France
4. Manxen 2 SAS, a Wholly owned Step-Down Subsidiary (Wholly-owned Subsidiary of Gland Pharma International Pte. Ltd.), incorporated in France
5. Manxen 3 SAS, a Wholly owned Step-Down Subsidiary (Wholly-owned Subsidiary of Gland Pharma International Pte. Ltd.), incorporated in France
6. Phixen SAS and its subsidiaries (Cenexi group)#., a Wholly owned Step-Down Subsidiary* (Wholly-owned Subsidiary of Gland Pharma International Pte. Ltd.), incorporated in France.

*93.72% stake in Phixen SAS is held by Gland Pharma International Pte. Ltd and the balance 6.28% is held by the Manxen SAS, Manxen 2 SAS and Manxen 3 SAS collectively; which are the wholly owned subsidiaries of Gland Pharma International Pte. Ltd.

The wholly owned subsidiaries of Phixen SAS (Cenexi Group) are as under:
Cenexi 2 SASU
Cenexi 3 SASU
Cenexi SAS
Cenexi Services SAS
Cenexi HSC SAS
Cenexi Laboratories Thissen SA
Pheximmo SA

Gland Pharma Limited is a subsidiary of Fosun Pharma Industrial Pte. Ltd., a Singapore Company, which holds approximately 57.86% 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 Boards' 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 zero tolerance for sexual harassment and has adopted 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 periodically conducts sessions for all employees across the organisation to create awareness about the policy. The provisions of the policy has also been displayed at various places to create awareness among the employees.

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 utilised for the purposes for which the proceeds were raised and there were no deviations or variations thereunder.

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(2)(f) 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 forming part of this Annual 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 or instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, 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.

The Whistle Blower Policy has been appropriately communicated to all the stakeholders and is also available on the Company's website at https://glandpharma.com/images/whistle_blower_policy.pdf

Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, relating to Meetings of the Board of Directors and General Meetings.

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 45th Annual General Meeting (AGM) held on August 31, 2023 appointed M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S) as the Statutory Auditors of the Company to hold office from the conclusion of 45th AGM until the conclusion of the 50th AGM.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors has appointed M/s. RVR & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the year ended March 31, 2024. 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 five times on 18th May 2023; 07th August 2023; 06th November 2023; 14th February 2024 and 25th March 2024.

Composition and attendance of Audit Committee

Name of the Director	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	5
Mr. Essaji Goolam Vahanvati	Member	Independent Director	5
Mr. Udo Johannes Vetter	Member	Independent Director	5

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 five times on 18th May 2023; 07th August, 2023, 10th October, 2023;14th February 2024 and 25th March 2024.

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	5
Mr. Essaji Goolam Vahanvati	Member	Independent Director	5
Mr. Udo Johannes Vetter	Member	Independent Director	5

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 once on 18th May 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	1
Mr. Essaji Goolam Vahanvati	Member	Independent Director	1
Dr. Jia Ai (Allen) Zhang	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 Committee and Share Transfer Committee met four times on 18th May, 2023; 07th August, 2023; 06th November, 2023 and 14th February, 2024.

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	CEO & Managing Director	4
Mr. Yao Fang	Member	Non-Executive Director	2

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 twice on 21st August, 2023 and 12th February, 2024.

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	1
Mr. Yao Fang	Member	Non-Executive Director	2
Mr. Ravi Shekhar Mitra	Member	CFO	2

f) ESOP Compensation Committee:

The Company has constituted the 'ESOP Compensation Committee' for fulfilling the Board of Directors' corporate governance oversight responsibilities with regard to the consideration, evaluation and confirmation of the exercise requests received from the ESOP Grantees and to approve allotment of shares upon receipt of the exercise amount within the stipulated timelines as prescribed under the Companies Act, 2013 and relevant Rules made thereunder from time to time.

The Committee shall undertake an overall responsibility for monitoring, scrutinizing and approving the allotment of shares to the employees with respect to ESOPs.

During the year under review, the ESOP Compensation Committee met thrice on 10th October, 2023; 14th February, 2024 and 25th March, 2024.

Composition and attendance of ESOP Compensation Committee

Name of the Director / Officer	Position	Category	No. of Meetings attended
Mr. Satyanarayana Murthy Chavali	Chairman	Independent Director	3
Mr. Essaji Goolam Vahanvati	Member	Independent Director	3
Mr. Udo Johannes Vetter	Member	Independent Director	3

Details of remuneration to Executive Directors and KMPs

(₹ in million)

Name of the Director	Salary	Commission	PF	Perquisites	Others	Total
Mr. Srinivas Sadu	66.88	-	3.27	-	-	70.15
Mr. Ravi Shekhar Mitra	19.62*	-	0.83	-	-	20.45
Mr. P. Sampath Kumar	5.79	-	0.26	-	-	6.05

*An amount of ₹ 2.05 Mn (SGD 33,157.89) was paid as remuneration for the services performed as a Director in Gland Pharma International Pte. Ltd, the wholly-owned subsidiary of the Company and the same was included in ₹ 19.62 Mn

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:

(₹ in million)

Name of the Director	Commission	Sitting Fees	Total
Mr. Satyanarayana Murthy Chavali	2.50	0.50	3.00
Mr. Yiu Kwan Stanley Lau	5.00	0.50	5.50
Mr. Essaji Goolam Vahanvati	2.50	0.50	3.00
Mr. Udo Johannes Vetter	2.50	0.50	3.00
Ms. Naina Lal Kidwai	10.00	0.50	10.50

Corporate Governance

In compliance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; a 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 (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/Details%20of%20Employees%20remuneration%20FY24.pdf

Acknowledgements

Your Directors gratefully acknowledge the continued support, co-operation extended by our clients, vendors, 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.

For and on behalf of the Board

Srinivas Sadu
Managing Director & CEO
DIN: 06900659

Satyanarayana Murthy Chavali
Independent Director
DIN: 00142138

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – A

(TO THE BOARDS' 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 BOARDS' 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 2023-24:**

   The following entities have become the wholly owned subsidiaries or wholly owned step-down subsidiaries during the year under review:

   - Manxen SAS
   - Manxen 2 SAS
   - Manxen 3 SAS
   - Phixen SAS
   - Cenexi 2 SASU
   - Cenexi 3 SASU
   - Cenexi SAS
   - Cenexi Services SAS
   - Cenexi HSC SAS
   - Cenexi Laboratories Thissen SA
   - Pheniximmo SA

2. **Companies / Bodies Corporate which ceased to be Subsidiaries during the financial year 2023-24:**

   NIL

3. **Companies / Bodies Corporate which became Joint Ventures or Associates during the financial year 2023-24:**

   NIL

4. **Companies / Bodies Corporate which have ceased to be Joint Venture or Associate during the financial year 2023-24:**

   NIL

For and on behalf of the Board

Srinivas Sadu	**Satyanarayana Murthy Chavali**
Managing Director & CEO	Independent Director
DIN: 06900659	DIN: 00142138

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – C

(TO THE BOARDS' REPORT)

FORM AOC-1

PART-A: SUBSIDIARIES INFORMATION

(All amounts in ₹ millions)

S. No.	Name of the Subsidiary	Reporting period for the subsidiary	Date of Incorporation/ Acquisition	% of share-holding	Reporting Currency	Exchange Rate	Share capital	Reserves & Surplus	Total Liabilities	Total Assets	Invest-ments*	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend
1	Gland Pharma International Pte. Ltd	31-Mar-24	10-Mar-21	100%	USD	83.40	4,216.20	425.14	705.48	25,346.82	-	2,544.38	407.42	31.08	376.34	-
2	Gland Pharma USA Inc.	31-Mar-24	07-Mar-22	100%	USD	83.40	41.70	0.51	0.27	42.48	-	40.35	1.55	0.41	1.14	-
3	Manxen SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	607.02	-4.79	7.80	610.03	-	-	4.32	-	4.32	-
4	Manxen 2 SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	43.32	-0.37	4.73	47.68	-	-	0.27	-	0.27	-
5	Manxen 3 SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	6.66	4.71	4.15	15.52	-	-	14.10	-	14.10	-
6	Phixen SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	11,215.93	695.68	3,467.19	15,378.80	-	624.86	-610.38	4.81	-615.19	-
7	Cenexi SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	1,838.80	3,373.59	9,093.71	7,558.92	-	7,306.80	1,920.96	-	-1,920.96	-
8	Cenexi Services SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	4.60	11.80	392.54	408.94	-	1,005.06	-52.05	-4.81	-47.24	-
9	Cenexi HSC SAS	31-Dec-23	27-Apr-23	100%	EUR	91.94	59.76	-56.07	4,365.24	4,368.93	-	3,555.49	-513.76	-	-513.76	-
10	Cenexi 2 SASU	31-Dec-23	27-Apr-23	100%	EUR	91.94	3.68	-0.60	0.23	3.31	-	-	-0.07	-	-0.07	-
11	Cenexi 3 SASU	31-Dec-23	27-Apr-23	100%	EUR	91.94	3.68	-0.50	0.23	3.41	-	-	-0.07	-	-0.07	-
12	Cenexi Laboratories Thissen SA	31-Dec-23	27-Apr-23	100%	EUR	91.94	537.85	1,778.45	2,140.64	4,456.94	-	6,113.72	206.04	63.88	142.16	-
13	Phineximmo SA	31-Dec-23	27-Apr-23	100%	EUR	91.94	13.79	61.24	144.11	219.14	-	63.88	30.80	8.22	22.58	-

*excludes investment in subsidiaries

PART-B: ASSOCIATES AND JOINT VENTURES

The Company does not have any Associates or Joint Ventures during the Financial year 2023-24.

For and on behalf of the Board

Srinivas Sadu
Managing Director & CEO
DIN: 06900659

Satyanarayana Murthy Chavali
Independent Director
DIN: 00142138

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – D

(TO THE BOARDS' 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 2023-24.

   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: 00142138

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – E

(TO THE BOARDS' 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, 2024

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	1	1
2.	Mr. Essaji Goolam Vahanvati	Member of the CSR Committee / Independent Director	1	1
3.	Dr. Jia Ai Zhang	Member of the CSR Committee/ Non-Executive Director	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

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 2022-23. The reports are available on the Company's website at https://glandpharma.com/images/Impact%20Assessment%20Study%20Report.pdf

5. (a) Average Net Profit of the Company as per sub-section (5) of Section 135 : ₹ 13,336.70 Mn

b) Two percent of average net profit of the Company as per sub section (5) of Section 135 : ₹ 266.73 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)] : ₹ 266.73 Mn

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : 257,509,950 (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 : ₹ 5,214,745/-

(c) Amount spent on Impact Assessment, if applicable : ₹ 3,42,200/-

(d) Total amount spent for the Financial year [(a)+(b)+ (C)] : ₹ 263,066,895/

(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.
263,066,895	3,667,104	29-04-2024	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	₹ 266.73 Mn
	Total amount spent for the Financial Year	₹ 266.73 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:

Sl. No.	Preceding Financial Years	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	4,37,59,538	NIL	-	N.A	N.A	NIL	N.A
2	2021-22	2,27,44,363	NIL	-	N.A	N.A	NIL	N.A
3	2022-23	3,57,76,717	NIL	3,57,76,717	N.A	N.A	NIL	N.A

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, and plantation of bamboo clusters in the mid of F.Y. 2023-24 and as they are long term projects, the entire amount on CSR was not spent during FY 2023-24. The projects were categorised as on-going projects and will be completed in FY 2024-25.

The amount ear-marked for these projects was transferred to Unspent CSR account.

For and on behalf of the Board

Srinivas Sadu
Chairman of CSR Committee,
Managing Director & CEO
DIN: 06900659

Essaji Goolam Vahanvati
Member of CSR Committee,
Independent Director
DIN: 00157299

Place: Hyderabad
Date: 22.05.2024

Annexure to CSR Report

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	
				State	District						Name	CSR Registration number.
1.	Construction of additional classrooms, dining halls, toilets, etc. in various government schools and renovation of school buildings	Promoting Education	Yes	Telangana	Medchal-Malkajgiri, Sangareddy, Hyderabad	1.5 years	129,710,011	127,842,907	1,867,104	No	Gland-Fosun Foundation	CSR00000676
2.	Bamboo cluster project	Conservation of Environment	No	Karnataka	Mangalore	1.5 years	3,000,000	1,200,000	1,800,000	No	Gland-Fosun Foundation	CSR00000676
	Total						**132,710,011**	**129,042,907**	**3,667,104**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State	District			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		38,830,000	No	The Akshaya Patra Foundation CSR00000286
2.	Sponsorship of Teachers and support staff in Government Schools	Promotion of Education	Yes	Telangana / Medchal-Malkajgiri and Sangareddy districts		10,334,402	No	Gland-Fosun Foundation CSR00000676
3	Sponsorship of Teachers and support staff in Orphanages	Promotion of Education and Eradication of Hunger	Yes	Telangana / Hyderabad		2,100,000	No	Gland-Fosun Foundation CSR00000676
4.	Sponsorship of Food and Education for children in orphanages	Promotion of Education and Eradication of Hunger	Yes	Telangana / Hyderabad		1,070,000	No	Gland-Fosun Foundation CSR00000676

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project (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)
5.	Sponsorship of Food, Education and infrastructure to children in orphanages	Promotion of Education and Eradication of Hunger	Yes	Telangana / Hyderabad	9,768,000	No	Arunodaya Trust CSR00012742
6.	Promotion of Vocational training	Promotion of Education	Yes	Telangana / Medchal-Malkajgiri	7,500,000	No	Radiant Institute of Technology CSR
7.	Furniture to various government schools	Promoting Education	Yes	Telangana / Medchal-Malkajgiri, Sangareddy, Medak	1,232,496	No	Gland-Fosun Foundation CSR00000676
8.	Promotion of education through Experiential Learning and science fair	Promotion of Education	Yes	Telangana / Medchal-Malkajgiri, Sangareddy, Medak	8,447,720	No	Gland-Fosun Foundation CSR00000676
9.	Promotion of education for Tribal children	Promotion of Education	Yes	Telangana / Hyderabad, Komaram Bheem Asifabad	2,100,000	No	Gland-Fosun Foundation CSR00000676
10.	Promotion of education for Slum area children	Promotion of Education	Yes	Hyderabad	1,096,500	No	Gland-Fosun Foundation CSR00000676
11.	Comprehensive Health Plan for Socio-Economic Challenged Children	Promoting Healthcare including Preventive Healthcare	Yes	Telangana / Hyderabad	9,637,000	No	Gland-Fosun Foundation CSR00000676
12.	Supply of Medical Equipment and Bus to Government Nursing College, Vizag	Promoting Healthcare including Preventive Healthcare	Yes	Andhra Pradesh / Vizag	6,268,136	No	Gland-Fosun Foundation CSR00000676
13.	Contribution for Charity Hospital and medical aid for poor children	Promoting Healthcare including Preventive Healthcare	Yes	Uttarakhand /	2,500,000	No	Gland-Fosun Foundation CSR00000676
14.	Construction of Bharosa center for providing integrated support to women and children affected by violence / sexual abuse (phase-2)	Empowerment of Women	Yes	Telangana / Medak	15,480,154	No	Gland-Fosun Foundation CSR00000676
15.	Supply of beds to old age home for women	Empowerment of women	Yes	Andhra Pradesh / Vijayawada	979,400	No	Gland-Fosun Foundation CSR00000676
16.	Supply of Electric vehicles in Zoo park and Tiger Reserve	protection of flora and fauna, animal welfare	Yes	Telangana / Hyderabad and Mahaboobnagar	3,676,093	No	Gland-Fosun Foundation CSR00000676

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project (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)
17.	Distribution of cloth bags and steel water bottles to general public	Conservation of environment	Yes	Andhra Pradesh / Vizag	1,800,000	No	Gland-Fosun Foundation CSR00000676
18.	Distribution of clay Ganesh idols to general public	Conservation of environment	Yes	Telangana / Sangareddy	51,000	Yes	-
19.	Awareness program to school students on International Tiger Day	protection of flora and fauna, animal welfare	Yes	Telangana / Hyderabad	106,500	No	Gland-Fosun Foundation CSR00000676
20.	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	3,514,000	No	Gland-Fosun Foundation CSR00000676
21.	Construction of water storage facility in Pashamylaram village (additional work)	Rural Development	Yes	Telangana / Sangareddy	575,642	No	Gland-Fosun Foundation CSR00000676
22.	Sponsorship of sportsmen	Promotion of Olympic sports	Yes	Telangana / Hyderabad	1,400,000	No	Gland-Fosun Foundation CSR00000676
				TOTAL	128,467,043		

ANNEXURE – F

(TO THE BOARDS' REPORT)

Form No. MR-3

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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 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 **31st March, 2024** ("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 31st March, 2024 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

(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 31st March, 2024 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. Acquisition of Phixen SAS and Cenexi Holding Entities has been completed on 27th April 2023 in accordance with the terms of the Share Purchase Agreement dated 6th January 2023.

2. Appointment of Deloitte Haskins & Sells as statutory auditors for a period of 5 years commencing from the conclusion of the 45th Annual General Meeting held on August 31, 2023 till the conclusion of the 50th Annual General Meeting of the Company in place of retiring auditors, S. R. Batliboi & Associates LLP on completion of their term (10 years).

3. Reappointment of Mr. Satyanarayana Murthy Chavali (DIN:00142138) as an Independent Director for a term of five years with effect from 20th November, 2023 and approval for commission on profits as remuneration to him.

4. DINs of Mr. Qiyu Chen, Dr. Jia Ai Zhang, Mr. Yao Fang, Mr. Yiu Kwan Stanley Lau, Directors of the Company are deactivated by Ministry of Corporate Affairs (MCA), due to non-filing of DIR-3 Web KYC within due date i.e. 30th September, 2023, due to technical issues in delivering OTPs to Foreign Directors email & mobiles. Deactivation of DIN does not disqualify the Directors under Section 164 of the Companies Act, 2013.

5. 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) 1st Allotment of 1,100 Equity Shares of ₹1/- each on October 10, 2023

    (ii) 2nd Allotment of 6,200 Equity Shares of ₹ 1/- each on February 14, 2024

    (iii) 3rd Allotment of 2,400 Equity Shares of ₹ 1/- each on March 25, 2024

For RVR & Associates
Company Secretaries
PR. No. P2015TL082000

D Soumya
Associate Partner
FCS. No: 11754
CP. No. 13199

Place: Hyderabad — UDIN: F011754F000427171
Date: 22.05.2024 — Peer Review Cert. No.: 3175/2023

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.

Annexure

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 043Telangana.

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 as 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 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 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 mechanism 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 of applicable fiscal laws like Direct & Indirect tax laws, Labour 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: F011754F000427171
Peer Review Cert. No.: 3175/2023

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – G

(TO THE BOARDS' 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, Pashamylaram and Shamirpet, Facilities in Telangana to reduce pollution levels.

During the year, the Company has installed roof top solar panels at Corporate office and Manufacturing Facilities in Hyderabad, with a total capacity of 2.25 MW, equivalent to 3% of the annual power consumption of the Company during the FY 2023-24.

(iii) Capital investment on energy conservation equipment: The Company has spent an amount of ₹ 108.9 Mn for installation of roof top solar panels during the FY 2023-24.

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.

(₹ in million)

		2023-24	2022-23
4.	Expenditure on R&D		
	a) Capital	144.35	168.59
	b) Recurring	1,629.40	1,845.29
	c) Total	1,773.75	2,013.88
	d) Total R&D Expenditure as a Percentage of Revenue from operations	4.26%	5.57%

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

(₹ in million)

PARTICULARS	2023-24	2022-23
1. Foreign Exchange Earnings:		
In USD	426.74	372.73
In EURO	1.23	1.62
In CAD	3.82	4.01
In AUD	0.45	0.77
In AED	-	4.81
Equivalent In ₹	35,764.19	30,589.57
2. Foreign Exchange Outgo:		
Capital Expenditure		
In USD	2.55	3.30
In EURO	9.96	1.62
Equivalent In ₹	1,104.61	398.35
Revenue Expenditure		
In USD	90.64	201.54
In EURO	8.73	13.23
Equivalent In ₹	8,296.61	17,420.37
Payment to Financial Institutions	-	-

For and on behalf of the Board

Srinivas Sadu
Managing Director & CEO
DIN: 06900659

Satyanarayana Murthy Chavali
Independent Director
DIN: 00142138

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – H

(TO THE BOARDS' 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, 2024 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	1,427,700	1,427,700
d.	The total no. of shares arising as a result of exercise of options	1,427,700	1,427,700
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 ₹)	773,813,400	773,813,400
i.	Total number of options in force	47,700	47,700

j. Employee-wise details of options granted during the year 2023-24 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

(i) 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, 2022-23 and 2023-24 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

Satyanarayana Murthy Chavali
Independent Director
DIN: 00142138

Place: Hyderabad
Date: 22.05.2024

ANNEXURE – I.1

(TO THE BOARDS' 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 2023-24 and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2023-24:

Name	Designation	Ratio to median remuneration	% increase in remuneration in FY 2023-24
Mr.Srinivas Sadu	MD & CEO	111.24	(75.01)
Ms.Naina Lal Kidwai	Independent Director	16.67	(2.77)
Mr. Yiu Kwan Stanley Lau	Independent Director	9.16	(4.01)
Mr. Satyanarayana Murthy Chavali	Independent Director	5.0	(9.09)
Mr. Essaji Goolam Vahanvati	Independent Director	5.0	(3.23)
Mr. Udo J Vetter	Independent Director	5.0	(9.09)
Mr. Ravi Shekhar Mitra	Chief Financial Officer	N.A	(4.14)
Mr. Sampath Kumar Pallerlamudi	Company Secretary	N.A	(63.03)

Note:

a) Mr. Srinivas Sadu and Mr. Sampath Kumar Pallerlamudi had exercised their Employee stock options during FY 2022-23 and the perquisite value on exercise of stock options was also included in their remuneration for FY 2022-23. There was a decrease in remuneration in FY 2023-24 as there were no Stock options for FY 2023-24.

b) There was no change in the Commission paid to any of the Independent Directors for the FY 2022-23 and FY 2023-24. The variation reflected in the last column is due to change in Exchange rate (for Mr. Yiu Kwan Stanley Lau) and change in sitting fees for attendance at Board Meetings (FY 2022-23: 8 Board meetings, FY 2023-24: 5 Board meetings).

c) Other Non-Executive and Non-Independent Directors were not paid any remuneration or sitting fee during FY 2023-24.

(ii) The percentage increase in the median remuneration of employees in the financial year 2023-24: 20%

(iii) Number of permanent employees on the rolls of the Company as on 31st March 2024: 4,217

(iv) For the FY 2023-24, the average annual increase in the remuneration of employees (excluding the remuneration of managerial personnel) was 17.6% and for the managerial remuneration there was a decrease of 0.63% (excluding perquisite on exercise of ESOPS).

(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

Satyanarayana Murthy Chavali
Independent Director
DIN: 00142138

Place: Hyderabad
Date: 22.05.2024

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 Listed Entity	Gland Pharma Limited
3.	Year of incorporation	1978
4.	Registered office address	SY. No. 143-148, 150 &151, Near Gandimaisamma X Roads, D.P.Pally, Dundigal, Dundigal - Gandimaisamma(M), Medchal - Malkajgiri District, Hyderabad, Telangana – 500 043 IN
5.	Corporate address	Plot No.11& 84,TSIIC, Phase-IV, Pashamylaram (V), Patancheru (M), Sangareddy District Hyderabad, Telangana 502 307 IN
6.	E-mail	investors@glandpharma.com
7.	Telephone	+91-8455-699999
8.	Website	https://glandpharma.com/
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchanges where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11.	Paid-up Capital	₹164,710,523 (divided into 164,710,523 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
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services

16. 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%

17. 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

18. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	7	1	8
International	4	3	7

Note: The International offices and Plants mentioned above belong to the subsidiaries of the Company.

19. 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?** – 86.37%

c. **A brief on types of customers**

The company specializes in sterile injectables, oncology, and ophthalmics, 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.

IV. Employees

20. Details as at the end of Financial Year, i.e. March 31, 2024:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	4,178	3,650	87%	528	13%
2.	Other than Permanent (E)	0	0	Nil	0	Nil
3.	**Total employees (D+E)**	**4,178**	**3,650**	**87%**	**528**	**13%**
	WORKERS					
4.	Permanent (F)	39	22	56%	17	44%
5.	Other than Permanent (G)	0	0	Nil	0	Nil
6.	**Total workers (F+G)**	**39**	**22**	**56%**	**17**	**44%**

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	2	2	100%	0	Nil
2.	Other than Permanent (E)	0	0	Nil	0	Nil
3.	**Total differently abled employees (D+E)**	**2**	**2**	**100%**	**0**	**Nil**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	Nil	0	Nil
5.	Other than Permanent (G)	0	0	Nil	0	Nil
6.	**Total differently abled workers (F+G)**	**0**	**0**	**Nil**	**0**	**Nil**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	1	11%
Key Management Personnel	3	0	0%

22. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

	FY 2024			FY2023			FY2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23%	23%	23%	20%	25%	20%	20%	19%	20%
Permanent Workers	4%	0%	3%	4%	17%	10%	0%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. 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 the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Fosun Pharma International Pte. Ltd	Holding Company	57.86%	No
2	Gland Pharma International Pte Ltd	Wholly owned Subsidiary	100%	No
3	Gland Pharma USA Inc.	Wholly owned Step-down subsidiary	100%	No
4	Manxen SAS	Wholly owned Step-down subsidiary	100%	No
5	Manxen 2 SAS	Wholly owned Step-down subsidiary	100%	No
6	Manxen 3 SAS	Wholly owned Step-down subsidiary	100%	No
7	Phixen SAS and its subsidiaries (Cenexi Group)#	Wholly owned Step-down subsidiary	100%*	No

The wholly owned subsidiaries of Phixen SAS are as under:
1. Cenexi 2 SASU
2. Cenexi 3 SASU
3. Cenexi SAS
4. Cenexi Services SAS
5. Cenexi HSC SAS
6. Cenexi Laboratories Thissen SA
7. Phineximmo SA

*93.72% stake in Phixen SAS is held by Gland Pharma International Pte. Ltd and the balance 6.28% is held by the Manxen SAS, Manxen 2 SAS and Manxen 3 SAS collectively; which are the wholly owned subsidiaries of Gland Pharma International Pte. Ltd.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹) 41,674.28 Mn

(iii) Net worth (in ₹) 89,952.89 Mn

VII. Transparency and Disclosure Compliances

25. 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)	FY2024			FY2023		
		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	NIL	-	NIL	NIL	-
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 has constituted the Stakeholders Relationship and Share Transfer Committee to redress the complaints/ grievances of the shareholders. Weblink: https://scores.sebi.gov.in/scores-home	NIL	NIL	-	2	NIL	-
Employees and workers	Yes https://glandpharma.com/images/whistle_blower_policy.pdf	NIL	NIL	-	NIL	NIL	-
Customers	Yes https://glandpharma.com/contact-us	NIL	NIL	-	NIL	NIL	-
Value Chain Partners	Yes	NIL	NIL	-	NIL	NIL	-
Others (please specify)	NIL	NIL	NIL	-	NIL	NIL	-

26. 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
5	Cultural Integration	O	The Company on its way to achieve its vision, emphasizes the importance of cultural integration across all of its subsidiaries spanning around the globe for smooth facilitation of services across the globe.		Positive
6	ESG Factors	R	The company is in the process of setting up the targets and achieving the same with dedicated timelines to be in par with the consistently increasing ESG demands from various stakeholders as well as the Regulatory Authorities	Constant monitoring and upgradation with respect to ESG laws and its requirements across all the departments of the Company and introducing various third party surveys and accreditations from time to time.	Negative

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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
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	https://glandpharma.com/investors/corporate-governance#governance-policies								
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.	Not Applicable								

Governance, leadership and oversight

7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Gland Pharma is firmly committed to sustainability and recognizes its responsibility to the environment, society, and future generations. In response to community concerns regarding environmental, health, and safety (EHS) matters, the company has proactively implemented a range of measures to address these issues within its operations.

To effectively manage Bio-Medical Waste, Gland Pharma has devised and implemented robust strategies for the treatment and recycling of wastewater. The company regularly screens and upgrades its effluent and sewage treatment plants at their manufacturing facilities, ensuring proper and responsible wastewater management.

Demonstrating a strong dedication to sustainable water usage, the Company has undertaken significant improvements to its raw water underground storage tank, resulting in a notable reduction in overall water consumption. By continually enhancing the water quality sampling process, Gland Pharma has achieved even more significant reductions in water usage.

Aligned with their unwavering commitment to environmental sustainability, the Company has successfully transitioned to cleaner fuels at their manufacturing facilities. By replacing furnace oil with piped natural gas (PNG) as boiler fuel, Gland Pharma has significantly reduced stack emissions and lowered CO2 output. Furthermore, the Company has plans to extend this transition to other facilities, solidifying their position as responsible stewards of the environment.

The Company has installed roof top solar panels at Corporate office and Manufacturing Facilities in Hyderabad, with a total capacity of 2.25 MW, equivalent to 3% of the annual power consumption of the Company during the FY 2023-24. The Company has plans to install such solar panels at its Manufacturing Facilities in Vizag also.

These proactive measures exemplify Gland Pharma's approach to addressing community concerns and their persistent dedication to environmental stewardship. By prioritizing EHS measures and embracing sustainable practices, the company aims to make a positive and lasting contribution to the well-being of the communities in which it operates while minimizing its ecological impact.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Srinivas Sadu Managing Director & Chief Executive Officer DIN No.: 06900659								
9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The company has its dedicated CSR committee. The CSR Committee currently comprises of two Non-Executive Directors and One Executive Director. Mr. Srinivas Sadu, MD & CEO is the Chairman of the Committee. The composition of the Committee meets the requirements of the Companies Act, 2013.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review provided below taken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board									Annually								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principle material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: PRINCPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors including Key Managerial Personnel	5	Business, Regulations, Code of Business Conduct and Ethics, Economy and Environmental, Social and Governance parameters, key Regulatory changes, Risks, Compliances, and Legal cases.	100%
Employees other than Board of Directors and KMPs and Workers	265	The employees/ workers of the Company undergo various training programmes throughout the year. Many trainings programmes followed a blended learning approach which entailed virtual classroom initiatives, along with dissemination of e-learning modules. Various trainings were undertaken during the year such as Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, Know Your Customer guidelines, and ESG. Other trainings included induction programmes for new recruits, leadership training, digitalisation and cyber security and modules on soft skills, programmes on mental and physical well-being, among several others	80%*

*Note: some employees/workers have attended more than one training programme and hence the percentage of the employees/workers covered by the awareness programme may not be accurate.

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)

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

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

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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest**

	FY 2023-24		FY 2022-23	
	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

8. **Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payable	61	80

9. **Open-ness of Business**

Parameter	Metrics		FY 2023-24	FY 2022-23
Concentration of purchases	a)	Purchases from trading houses as % of total purchases	14%	10%
	b)	Number of trading houses where purchases are made from	49	65
	c)	Purchases from top 10 trading houses as % of total purchases from trading houses	91%	94%
Concentration of Sales	a)	Sales to dealers / distributors as % of total sales	0.35%	0.53%
	b)	Number of dealers / distributors to whom sales are made	393	543
	c)	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	25%	23%
Share of RPT's in	a)	Purchases (Purchases with related parties / Total Purchases)	2.30%	6.56%
	b)	Sales (Sales to related parties / Total Sales)	13.94%	12.48%
	c)	Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d)	Investments (Investments in related parties / Total Investments made)	100%	100%

Note: With respect to Concentration of Sales; only B2C Sales (excluding Sales relating to Tenders, Hospitals and Nepal) have been considered.

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	FY2024	Details of improvements in environmental and social impacts	FY2023	Details of improvements in environmental and social impacts
R&D	NIL		NIL	NA
Capex	0.35%	Effluent storage tank capacity enhancement, Secondary containment pits, Battery Trolley, Effluent segregation, and New RO plant etc.	0.47%	Provision of Emergency Exit for Boiler Building
	6.14%	Installation of Solar roof top panels		

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) and facilities that are approved by Telangana State Pollution Control Board (TGPCB).

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)
Permanent employees											
Male	3,650	3,078	84%	Nil	Nil	N.A	N.A	Nil	Nil	-	-
Female	528	405	77%	Nil	Nil	528	100%	N.A	N.A	-	-
Total	**4,178**	**3,483**	**83%**	**Nil**	**Nil**	**528**	**12.64%**	**Nil**	**Nil**	**-**	**-**
$Other than Permanent employees											
Male											
Female											
Total											

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.

$The Company does not have any employees other than Permanent Employees

* 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	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)
Permanent employees											
Male	22	22	100%	Nil	Nil	Nil	Nil	Nil	Nil	-	-
Female	17	17	100%	Nil	Nil	17	100%	Nil	Nil	-	-
Total	**39**	**39**	**100%**	**Nil**	**Nil**	**17**	**43.59%**	**Nil**	**Nil**	**-**	**-**
$Other than Permanent employees											
Male											
Female											
Total											

$ 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.

* Day Care facility is available in the Company, but no worker has utilised the facility during the Current period

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent):

	FY 2023-24	FY 2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	0.49%	0.47%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024			FY2023		
	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*	17%	100%	-	22%	100%	Y
Others- please specify						

*Balance % of the employees in the respective financial years 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, as an Equal Opportunity Employer, is firmly committed to a policy of equal employment opportunity extending to all applicants and employees. It strictly prohibits any form of discrimination on any basis including 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, differently abled, medical condition, sexual orientation, veteran status, or any other category protected by applicable laws, subject to law of land. The Company is committed to provide equal employment opportunities at every stage in the whole gamut of 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	42%	100%	NA	NA
Total	**42%**	**100%**	**NA**	**NA**

*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.**

	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	FY2024			FY2023		
	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)
Total Permanent Employees	**4,178**	**0**	**0%**	**4,545**	**0**	**0%**
-Male	3,650	0	0%	3,979	0	0%
-Female	528	0	0%	566	0	0%
Total Permanent Workers	**39**	**39**	**100%**	**40**	**40**	**100%**
-Male	22	22	100%	23	23	100%
-Female	17	17	100%	17	17	100%

8. Details of training given to employees and workers:

Category	FY2024					FY2023				
	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)
Employees										
Male	3,650	3,512	96%	248	7%	3,979	3,763	95%	299	8%
Female	528	498	94%	21	4%	566	529	93%	21	4%
Total	**4,178**	**4,010**	**96%**	**269**	**6%**	**4,545**	**4,292**	**94%**	**320**	**7%**
Workers										
Male	22	22	100%	0	0	23	23	100%	0	0
Female	17	17	100%	0	0	17	17	100%	0	0
Total	**39**	**39**	**100%**	**0**	**0**	**40**	**40**	**100%**	**0**	**0**

9. Details of performance and career development reviews of employees and workers:

Category	FY2024			FY2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3,650	3,650	100%	3,979	3,979	100%
Female	528	528	100%	566	566	100%
Total	**4,178**	**4,178**	**100%**	**4,545**	**4,595**	**100%**
Workers						
Male	22	22	100%	23	23	100%
Female	17	17	100%	17	17	100%
Total	**39**	**39**	**100%**	**40**	**40**	**100%**

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	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	1*
No. of fatalities	Employees	0	0
	Workers	0	1*
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:

	FY2024			FY2023		
	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		
Health & Safety						

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 & 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 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	FY2024			FY2023		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-
Workers						
Permanent	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY2024					FY2023				
	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)
Employees										
Permanent	4,178	0	0	4,178	100%	4,545	0	0	4,545	100%
Male	3,650	0	0	3,650	100%	3,979	0	0	3,979	100%
Female	528	0	0	528	100%	566	0	0	566	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	39	0	0	39	100%	40	0	0	40	100%
Male	22	0	0	22	100%	23	0	0	23	100%
Female	17	0	0	17	17%	17	0	0	17	17%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

2. **Details of remuneration/salary/wages, in the following format:**

a. **Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in Millions)	Number	Median remuneration/ salary/wages of respective category (₹ in Millions)
Board of Directors (BoD)	7	3	1	10.5
Key Managerial Personnel (KMP)*	3	20.45	-	-
Employees other than BoD and KMP	3,649	0.60	526	0.52
Workers	22	1.16	17	1.01

* The details of Mr. Srinivas Sadu, MD &CEO are not included in the Board of Directors, but it is included in KMP

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	10.7%	10.6%

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:**

Category	FY2024			FY2023		
	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	1	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. **Complaints filed under the Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013 in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.18%	0.17%
Complaints on POSH upheld	1	1

8. **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.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

10. **Assessment for the year:**

	% 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 the Company has not received any non-compliance certification.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

NIL

PRINCIPLE 6: BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rate considered is 22.40 for FY 23-24 and 22.17 for FY 22-23.

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter – in units (MJ)	FY 2023-24	FY 2022-23
From Renewable Sources		
Total electricity consumption (A)	47,39,716.8	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	52,15,740.44	37,43,169.79
Total energy consumption from renewable sources (A+B+C)	**99,55,457.24**	**37,43,169.79**
From Non-Renewable Sources		
Total electricity consumption (D)	28,15,18,502.47	28,47,35,125.04
Total Fuel Consumption (E)	24,36,56,077.70	25,44,03,939.34
Energy consumption through other sources (F)	4,03,57,941.59	3,00,59,494.61
Total energy consumption from non-renewable sources (D+E+F)	**56,55,32,521.76**	**56,91,98,558.99**
Total Energy consumed (A+B+C+D+E+F)	**57,54,87,979.00**	**57,29,41,728.78**
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from Operations in Millions)	13,885.79	15,987.05
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations in Millions adjusted for PPP)	3,11,041.71	3,54,432.94
Energy intensity in terms of physical output	-	-
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. - No

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	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	14,115	0
(iii) Third party water	526,909.5	771,717
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**541,024.5**	**771,717**
Total volume of water consumption (in kilolitres)	**541,024.5**	**771,717**
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations in Millions)	13.05	21.53
Water intensity per rupee of turnover adjusted for purchasing power parity (PPP) (Total Water consumption / Revenue from operations in Millions adjusted for PPP)	292.41	477.40
Water intensity in terms of physical output	-	-
Water intensity (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. **Provide the details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – Please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – Please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – Please specify level of treatment	-	-
(iv) Sent to third parties		
No treatment	-	-
With treatment – Please specify level of treatment	40004.27	86634
(v) Others	-	-
No treatment	-	-
With treatment – Please specify level of treatment	-	-
Total Water Discharged (in kilolitres)	**40004.27**	**86634**

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

5. **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.

6. **Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:**

Parameter	Please specify Unit	FY 2023-24	FY 2022-23
NOx	mg\Nm3	45,928.95	43,422
SOx	mg\Nm3	44,259.06	35,657
Particulate matter (PM)	mg\Nm3	26,171.09	18,098
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.

7. **Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	15,736	11,929.60
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	81,154	80,669.60
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		2.34	2.58
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for purchasing power parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in Millions adjusted for PPP)		52.37	57.28
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (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

8. **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.

9. **Provide details related to waste management by the Company, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0.14	0.058
Bio-medical waste (C)	116.9	27.89
Construction and demolition waste (D)	0	0
Battery waste (E)	14.78	0
Radioactive waste (F)	0	0
Other Hazardous Waste. Please specify, if any. (G)	972.3	24.841
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	937.2	426.87
Total (A+B + C + D + E + F + G + H)	**2,041.32**	**479.659**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in Millions)	0.05	0.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations in Millions adjusted for PPP)	1.10	0.30
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,012.1	426.87
(ii) Re-used	777.6	-
(iii) Other recovery operations	0.0	-
Total	**1,789.7**	**426.87**
For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	156.7	52.731
(ii) Landfilling	94.9	-
(iii) Other disposal operations	0.0	-
Total	**251.6**	**52.731**

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

23-24 - Other Hazardous waste in MT (Crushed Glass Waste: 385.07, Packing Waste: 523.32)

22-23 - Other Hazardous waste in MT (Crushed Glass Waste: 198.29, Packing Waste: 228.58)

10. **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 (TGPCBOMS). 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.

11. **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:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NO			

12. **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					

13. **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:

S. 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.**

   6

   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.**

S. 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
4.	Bulk Drug Manufacturers Association of India (BDMA)	National
5.	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
6.	Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)	State

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

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: NIL**

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: Not Applicable**

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.**

   Any grievance can be addressed to the company representatives at every plant and unit of the Company and alternatively it can also be communicated to the Company at the e-mail id provided by the Company i.e., investors@glandpharma.com.

   Also, 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	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	5.19%	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.
Directly from within India	31.33%	

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	49.33	47.50
Semi-Urban	NIL	NIL
Urban	41.48	43.58
Metropolitan	9.19	8.92

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note: Classification is based on the RBI Guidelines and Census 2011

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND 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	The Company is in compliance with the applicable and relevant laws and regulations of the countries, in which the Company operates with respect to disclosure of information on environmental and social parameters relevant to the products
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

Category	FY2024			FY2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising						
Cyber- security						
Delivery of essential services						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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 defences 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 instances recorded.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches - NIL

   b. Percentage of data breaches involving personally identifiable information of customers - NIL

   c. Impact, if any, of the data breaches - NIL

Financial Statements

Standalone

Independent Auditor's Report

To the Members of Gland Pharma Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gland Pharma Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of material 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total 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 financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility* for the *Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue from Sale of goods (Refer note 2.1(e) of the Standalone Financial Statements)** The Company recognises revenue from sale of goods based on the terms and conditions of the agreements/ arrangements, which vary with different customers. For sale transactions in a certain period around the Balance Sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the Balance Sheet date. Considering material sale transactions close to the year end and that revenue recognition is subject to transfer of control to the customers before the Balance Sheet date, we consider the risk of revenue from sale of goods being recognised in the incorrect period as a key audit matter.	We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under: • Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluated the integrity of the general information and technology ('IT') control environment and testing the operating effectiveness of key IT application controls. • Understood the revenue recognition process, evaluating the design and implementation of Company's controls in respect of revenue cut-off at year-end. • Tested the operating effectiveness of such controls over revenue cut off at year-end. • Tested the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period upon fulfillment of the performance obligations. • Performed analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Management Discussion & Analysis, Report on Corporate Governance and the Business Responsibility & Sustainability Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 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 Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial controls 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 standalone 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 the 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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 financial statements of the current period 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 Matters

The standalone financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements vide their report dated May 18, 2023.

Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of 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 standalone financial statements. – Refer Note 45(b) to the standalone 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, other than as disclosed in the Note 50 to the standalone financial statements, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 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 person(s) or entity(ies), including foreign entities.

   (c) Based on the 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in Note 18 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

   vi. Based on our examination, which included test checks, has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

   As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 24047840BKFIXR8598

Place: Hyderabad
Date: May 22, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements 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 financial statements of Gland Pharma Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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. 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 respective 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 standalone financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone 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 control with reference to standalone 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 financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 24047840BKFIXR8598

Place: Hyderabad
Date: May 22, 2024

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, capital work-in-progress and right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment, capital work-in-progress and right-of-use assets was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) Based on our examination of the registered sale deeds provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, plant and equipment are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a), (c), (d), (e) and (f) The Company has not provided loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a), (c), (d), (e) and (f) of the Order is not applicable.

(b) The investments made and the terms and conditions of the investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investments made and deposits placed.

The Company has not granted any loans or provided guarantees or securities.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ Millions)	Amount paid (₹ Millions)	Amount unpaid (₹ Millions)
Finance Act, 1994	Service Tax	High Court, Hyderabad	April 2014 to March 2015	3.85	3.85	-
		Customs, Excise and Service Tax Appellate Tribunal	April 2015 to March 2016	1.03	0.07	0.96
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Telangana VAT Appellate Tribunal, Hyderabad	April 2012 to March 2017	5.30	5.30	-
Entry Tax of Goods and Local Areas Act, 2001	Entry Tax	High Court, Hyderabad	April 2011 to June 2017	47.00	22.84	24.16
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	FY 2016-17 FY 2017-18 FY 2019-20	21.81	21.81	-
Employee's State Insurance Act, 1948	Employee State Insurance	High Court of Telangana	April 2006 to July 2010	3.28	1.99	1.29
			August 2010 to February 2013	2.35	-	2.35

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(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 (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by 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 any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2023 and the final internal audit reports where issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a), (b), (c) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any Core Investment Company ('CIC') as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of Section 135(6) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 24047840BKFIXR8598

Place: Hyderabad
Date: May 22, 2024

Balance Sheet

as at March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,824.68	15,585.01
Right-of-use assets	4	2.06	3.86
Capital work-in-progress	5	1,200.05	1,772.16
Other intangible assets	6	110.54	116.61
Financial assets			
Investments	7	23,857.35	81.57
Other financial assets	9	6,559.13	-
Tax assets, net	11	274.94	225.22
Other non-current assets	12	868.89	1,063.98
		49,697.64	**18,848.41**
Current assets			
Inventories	13	12,602.07	19,453.00
Financial assets			
Loans	8	-	1.39
Trade receivables	10	11,714.02	8,628.39
Cash and cash equivalents	14	1,162.05	19,052.18
Bank balances other than cash and cash equivalents	15	14,823.44	18,617.80
Other financial assets	9	2,752.60	653.95
Other current assets	12	2,659.07	2,476.65
		45,713.25	**68,883.36**
Total Assets		**95,410.89**	**87,731.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	164.71	164.70
Other equity	17	89,788.18	79,368.28
		89,952.89	**79,532.98**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	25.51	32.61
Lease liabilities	21	1.04	4.83
Other financial liabilities	22	-	17.33
Provisions	23	206.88	-
Deferred tax liabilities, net	24	1,082.61	842.03
		1,316.04	**896.80**
Current liabilities			
Financial liabilities			
Borrowings	19	7.10	5.60
Lease liabilities	21	2.99	1.49
Trade payables	20		
Total outstanding dues of micro and small enterprises		103.02	78.34
Total outstanding dues of creditors other than micro and small enterprises		2,847.77	5,815.85
Other financial liabilities	22	92.60	163.05
Provisions	23	56.64	313.18
Current tax liabilities, net	25	264.06	-
Other current liabilities	26	767.78	924.48
		4,141.96	**7,301.99**
Total Equity and Liabilities		**95,410.89**	**87,731.77**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration Number : 008072S

for and on behalf of the Board of Directors
Gland Pharma Limited

Monisha Parikh
Partner
Membership No. 047840

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 22, 2024

Place: Hyderabad
Date: May 22, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from operations	27	41,674.28	36,165.28
Other income	28	1,666.66	2,404.64
Total income (I)		**43,340.94**	**38,569.92**
EXPENSES			
Cost of materials consumed	29	17,097.40	17,167.51
Purchase of stock-in-trade		231.38	155.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	874.32	(469.17)
Power and fuel		1,171.95	1,248.37
Employee benefits expense	31	4,099.45	3,997.01
Depreciation and amortisation expense	34	1,621.07	1,467.36
Finance costs	33	78.43	74.14
Other expenses	32	4,111.97	3,880.14
Total expenses (II)		**29,285.97**	**27,521.29**
Profit before exceptional item and tax (III)= (I-II)		**14,054.97**	**11,048.63**
Exceptional item (IV)	52	-	564.61
Profit before tax (V) = (III-IV)		**14,054.97**	**10,484.02**
Tax expense	35		
Current tax		3,410.20	2,761.94
Deferred tax		246.84	(27.99)
Taxes of earlier years		(35.32)	(8.19)
Total tax expense (VI)		**3,621.72**	**2,725.76**
Profit for the year (VII)=(V-VI)		**10,433.25**	**7,758.26**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans		24.86	30.10
Deferred tax impact on remeasurement of defined benefit plans		(6.26)	(7.58)
Total other comprehensive loss for the year, net of tax (VIII)		**18.60**	**22.52**
Total comprehensive income for the year, net of tax (IX)=(VII-VIII)		**10,414.65**	**7,735.74**
Earnings per equity share (Face value of ₹ 1 each):	36		
Basic (₹)		63.35	47.12
Diluted (₹)		63.33	47.11

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration Number : 008072S

for and on behalf of the Board of Directors
Gland Pharma Limited

Monisha Parikh
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Membership No. 047840

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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 22, 2024

Place: Hyderabad
Date: May 22, 2024

Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

a. Equity share capital

Equity shares of ₹ 1 each, issued, subscribed and fully paid	No.	Amount
As at April 1, 2022	**164,302,723**	**164.30**
Add: Issued during the year (refer note 16(a))	398,100	0.40
As at March 31, 2023	**164,700,823**	**164.70**
Add: Issued during the year (refer note 16(a))	9,700	0.01
As at March 31, 2024	**164,710,523**	**164.71**

b. Other equity

	Reserves and surplus					Share application money	Other comprehensive income	Total
	Securities premium	Capital redemption reserve	General reserve	Share options outstanding reserve	Retained earnings		Remeasurement of defined benefit plans (net of tax)	
As at April 1, 2022	**18,953.92**	**33.44**	**31.22**	**131.59**	**52,348.78**	**0.81**	**(81.78)**	**71,417.98**
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)	-	-	-	-
As at March 31, 2023	**19,284.23**	**33.44**	**31.22**	**16.65**	**60,107.04**	**-**	**(104.30)**	**79,368.28**
Profit for the year	-	-	-	-	10,433.25	-	-	10,433.25
Received on exercise of employee stock options	-	-	-	-	-	5.26	-	5.26
Other comprehensive income	-	-	-	-	-	-	(18.60)	(18.60)
Issue of equity shares on exercise of employee stock options	5.25	-	-	-	-	(5.26)	-	(0.01)
Transfer to securities premium on exercise of employee stock options	2.81	-	-	(2.81)	-	-	-	-
As at March 31, 2024	**19,292.29**	**33.44**	**31.22**	**13.84**	**70,540.29**	**-**	**(122.90)**	**89,788.18**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	**14,054.97**	**10,484.02**
Adjustments for:		
Depreciation and amortisation expense	1,621.07	1,467.36
Exceptional item (refer note 52)	-	564.61
Allowance for credit losses	41.09	-
Other assets written off	-	63.32
Bad debts written off	76.29	22.04
Interest expense	70.94	62.26
Interest on lease liabilities	0.42	0.61
Unrealised foreign exchange (gain)/loss, net	(88.53)	15.42
Gain on sale of investments	(3.48)	(28.48)
Loss on disposal of property, plant and equipment, net	8.75	0.81
Interest income	(1,495.04)	(1,794.17)
Changes in operating assets and liabilities:		
Trade receivables	(3,175.29)	1,525.52
Inventories	6,850.93	(7,596.33)
Loans and other assets	(242.19)	362.22
Trade payables and other financial liabilities	(2,968.48)	1,231.33
Provisions and other liabilities	(231.22)	407.26
Cash generated from operations	**14,520.23**	**6,787.80**
Income taxes paid, net	(3,160.54)	(3,108.87)
Net cash generated from operating activities (A)	**11,359.69**	**3,678.93**
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,335.90)	(2,209.29)
Proceeds from disposal of property, plant and equipment	1.53	1.40
Purchase of other intangible assets	(33.32)	(21.90)
Purchase of investments	(2,649.87)	(4,699.79)
Proceeds from sale of investments	2,653.35	6,277.01
Investment in term deposits, net	(4,750.64)	11,128.41
Interest received	1,651.43	1,606.40
Investment made in subsidiary	(23,775.78)	-
Net cash (used in)/ generated from investing activities (B)	**(29,239.20)**	**12,082.24**
Cash flows from financing activities		
Proceeds from the exercise of employee stock option	5.26	214.96
Repayment of borrowings	(5.60)	(1.12)
Payment towards principal portion of lease liabilities	(2.29)	(1.78)
Finance costs paid (including interest on lease liabilities)	(71.36)	(62.87)
Net cash (used in)/generated from financing activities (C)	**(73.99)**	**149.19**

Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(17,953.50)**	**15,910.36**
Effect of exchange differences on cash and cash equivalents held in foreign currency	63.37	30.00
Cash and cash equivalents at the beginning of the year	19,052.18	3,111.82
Cash and cash equivalents at the end of the year	**1,162.05**	**19,052.18**
Components of cash and cash equivalents		
Cash on hand	0.11	0.13
With banks in current account	1,020.94	5,425.05
With banks in deposit account	141.00	13,627.00
Total cash and cash equivalents (refer note 14)	**1,162.05**	**19,052.18**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

Srinivas Sadu
Managing Director and
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DIN: 06900659

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DIN: 00142138

P. Sampath Kumar
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Hyderabad
Date: May 22, 2024

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees 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 was incorporated on March 20, 1978, under the provisions of the Companies Act applicable in India, having Corporate Identification Number L24239TG1978PLC002276. 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 Company is primarily engaged in manufacturing injectable formulations. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

The standalone financial statements were approved for issue in accordance with a resolution of the Board of directors on May 22, 2024.

2. Basis of preparation

The standalone 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 standalone 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 standalone financial statements are presented in Indian Rupees Millions, 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 material accounting policies

(a) New and amended standards

New Accounting Standards, Amendments and Interpretations adopted by the Company effective from April 1, 2023:

Ind AS 1 – Presentation of Financial Statements

The amendment requires disclosure of material accounting policies instead of significant accounting policies. The amendments did not result in any changes in the accounting policies themselves, nor did they have any impact on recognition, measurement or presentation of any items in the standalone financial statements. However, they impacted the accounting policy information disclosed in the Company's standalone financial statements. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The impact of such modifications to the accounting policies is insignificant.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a new definition of 'accounting estimates' and clarified the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It also clarifies how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the standalone financial statements.

Ind AS 12 – Income taxes

The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the standalone financial statements.

New Accounting Standards, Amendments and Interpretations not yet adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to 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

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

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 standalone 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 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.

(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 standalone 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 standalone 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.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

(e) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services is 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 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 that is conditional upon factors other than the passage of time. A contract asset is recognised when the Company transfers goods or services to a customer before the customer pays consideration or before payment is due. Contract assets primarily relate to unbilled amounts and are classified as non-financial assets.

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 its obligation under the contract.

Unearned Revenue

Unearned revenue is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

payments. Invoices are payable within a contractually agreed credit period.

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.

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 assets 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

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, 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.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

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.

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

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) 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.

(i) 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,

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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 and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(j) 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, 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 standalone 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.

(k) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period the employee renders the related service.

Post-Employment Benefits

Defined Contribution Plans

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.

Defined Benefit Plans

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 the 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

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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

Other long-term employee benefits

Compensated absences

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.

(l) 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:

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 Company. 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.

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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 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 categorisation as at amortised 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 an 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:

a) the rights to receive cash flows from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the asset, and

i. the Company has transferred substantially all the risks and rewards of the asset, or

ii. 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

➢ 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

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for the year ended March 31, 2024

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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

Borrowings

After initial recognition, interest-bearing 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.

(m) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and term deposits, which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(n) 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.

(o) 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.

(p) 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 the performance of the operating segments and accordingly is identified as chief operating decision maker.

Notes to the standalone financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

3 Property, plant and equipment

	Freehold Land	Buildings	Plant and machinery	Laboratory equipment	Research and Development equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Tubewells	Total
Gross carrying value											
As at April 1, 2022	**627.07**	**3,202.87**	**14,346.21**	**1,053.52**	**692.17**	**302.16**	**142.61**	**50.68**	**353.14**	**1.58**	**20,772.01**
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)
As at March 31, 2023	**634.58**	**3,327.70**	**15,722.63**	**1,199.68**	**856.25**	**344.26**	**156.62**	**53.85**	**511.17**	**1.58**	**22,808.32**
Additions	-	240.42	2,177.71	190.54	144.35	12.81	8.98	1.97	43.95	-	2,820.73
Disposals	-	-	(2.12)	(0.14)	-	-	-	(2.23)	-	-	(4.49)
As at March 31, 2024	**634.58**	**3,568.12**	**17,898.22**	**1,390.08**	**1,000.60**	**357.07**	**165.60**	**53.59**	**555.12**	**1.58**	**25,624.56**
Accumulated Depreciation											
As at April 1, 2022	**-**	**614.99**	**4,085.08**	**399.99**	**234.49**	**140.59**	**72.07**	**23.07**	**209.32**	**1.49**	**5,781.09**
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)
As at March 31, 2023	**-**	**734.43**	**5,125.00**	**507.78**	**292.22**	**169.61**	**93.87**	**28.72**	**270.17**	**1.51**	**7,223.31**
Charge for the year	-	117.46	1,105.64	121.01	77.15	31.04	22.34	5.85	99.37	0.02	1,579.88
Disposals	-	-	(1.67)	(0.07)	-	-	-	(1.57)	-	-	(3.31)
As at March 31, 2024	**-**	**851.89**	**6,228.97**	**628.72**	**369.37**	**200.65**	**116.21**	**33.00**	**369.54**	**1.53**	**8,799.88**
Net carrying value											
As at March 31, 2023	**634.58**	**2,593.27**	**10,597.63**	**691.90**	**564.03**	**174.65**	**62.75**	**25.13**	**241.00**	**0.07**	**15,585.01**
As at March 31, 2024	**634.58**	**2,716.23**	**11,669.25**	**761.36**	**631.23**	**156.42**	**49.39**	**20.59**	**185.58**	**0.05**	**16,824.68**

Notes to the standalone financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

4 Right-of-use assets

	Total
Leasehold land	
Cost	
As at April 1, 2022	**11.41**
As at March 31, 2023	**11.41**
As at March 31, 2024	**11.41**
Accumulated depreciation	
As at April 1, 2022	**5.75**
Charge for the year	1.80
As at March 31, 2023	**7.55**
Charge for the year	1.80
As at March 31, 2024	**9.35**
Net carrying value	
As at March 31, 2023	**3.86**
As at March 31, 2024	**2.06**

5 Details of Capital work in progress (CWIP)

Movement in CWIP

	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,772.16	1,807.45
Additions	2,477.57	2,017.83
Disposals	(228.95)	-
Capitalised	(2,820.73)	(2,053.12)
Closing balance	**1,200.05**	**1,772.16**

CWIP - Ageing Schedule
As at March 31, 2024

	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	1,091.08	93.59	15.38	-	1,200.05
Projects temporarily suspended	-	-	-	-	-
Total	**1,091.08**	**93.59**	**15.38**	**-**	**1,200.05**

As at March 31, 2023

	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	-	-	-	-	-
Total	**1,210.14**	**211.52**	**226.42**	**124.08**	**1,772.16**

As at March 31, 2024 and March 31, 2023, there are no projects which have exceeded its cost as compared to its original plan.

For capital work-in-progress, there are no projects whose completion is overdue as at March 31, 2024

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for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

5 Details of Capital work in progress (CWIP) (Contd.)

For capital work-in-progress, projects whose completion was overdue as at March 31, 2023 are as under:

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
PMY-LYO	163.03	-	-	-	163.03
PMY-PFS	-	-	237.32	-	237.32
Total	**163.03**	**-**	**237.32**	**-**	**400.35**

6 Other intangible assets

	Total
Gross carrying value	
As at April 1, 2022	**29.82**
Additions	100.00
Disposals	-
As at March 31, 2023	**129.82**
Additions	33.32
Disposals	-
As at March 31, 2024	**163.14**
Accumulated amortisation	
As at April 1, 2022	**4.47**
Charge for the year	8.74
Disposals	-
As at March 31, 2023	**13.21**
Charge for the year	39.39
Disposals	-
As at March 31, 2024	**52.60**
Net carrying value	
As at March 31, 2023	**116.61**
As at March 31, 2024	**110.54**

7 Investments (Unquoted)

	As at March 31, 2024	As at March 31, 2023
Investment in equity instruments - carried at cost		
Investments in subsidiaries		
217,950 (March 31, 2023: 10,750) equity shares of face value US$ 100 each, fully paid, of Gland Pharma International Pte. Ltd., Singapore	23,857.35	81.57
	23,857.35	**81.57**

	As at March 31, 2024	As at March 31, 2023
Aggregate value of unquoted investments	23,857.35	81.57
Aggregate amount of impairment in value of investments	-	-

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

8 Loans

	As at March 31, 2024	As at March 31, 2023
Other loans (Unsecured, considered good)		
Loans to employees	-	1.39
	-	**1.39**

9 Other financial assets

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Term deposits with banks and financial institutions	6,545.00	-	2,000.00	-
Interest accrued, but not due on deposits with banks, financial institutions and others	14.13	-	483.43	653.95
Other receivables*	-		269.17	-
	6,559.13	**-**	**2,752.60**	**653.95**

* Includes amount receivable from related parties of ₹ 234.02 (March 31, 2023: ₹ Nil) (refer note 40)

10 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Unsecured		
Trade receivables from related parties (refer note 40)	1,421.64	1,963.45
Trade receivables from other parties	10,292.38	6,664.94
	11,714.02	**8,628.39**
Considered good	11,777.38	8,650.66
Credit impaired	-	564.61
	11,777.38	**9,215.27**
Less: Allowance for credit losses	(63.36)	(586.88)
	11,714.02	**8,628.39**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

10 Trade receivables (Contd.)

Trade receivables - Ageing Schedule

As at March 31, 2024

	Unbilled	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	872.26	9,042.37	1,786.75	73.99	2.01	-	-	11,777.38
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total	**872.26**	**9,042.37**	**1,786.75**	**73.99**	**2.01**	**-**	**-**	**11,777.38**
Less: Allowance for credit loss								(63.36)
Total Trade receivables								**11,714.02**

As at March 31, 2023

	Unbilled	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 52)	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	-	-	-	-	-	-	-	-
Total	**815.80**	**5,428.87**	**2,796.14**	**141.36**	**33.10**	**-**	**-**	**9,215.27**
Less: Allowance for credit loss								(586.88)
Total Trade receivables								**8,628.39**

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.

Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

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for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

10 Trade receivables (Contd.)

The details of changes in allowance for credit losses is as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	586.88	52.06
Provision made/reversed during the year, net	41.09	564.61
Trade receivables written off during the year	(564.61)	(29.79)
Balance at the end of the year	**63.36**	**586.88**

11 Tax assets, net

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Advance income tax, net	274.94	225.22	-	-
	274.94	**225.22**	**-**	**-**

12 Other assets

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Capital advance	408.50	629.61	-	-
Security deposits	134.59	100.07	-	-
Advances to employees	-	-	1.06	-
Advances for material supplies and services	-	-	210.97	328.87
Prepaid expenses	-	-	172.91	137.75
Contract asset@	-	-	895.17	872.59
Export rebate claims receivable	-	-	38.75	28.22
Export incentives receivable	-	-	83.33	88.37
Balance with statutory/ government authorities	325.80	334.30	1,256.88	1,020.85
	868.89	**1,063.98**	**2,659.07**	**2,476.65**

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.

@Includes amount receivable from related parties of ₹ 79.50 (March 31, 2023: ₹ 69.22) (refer note 40)

13 Inventories

	As at March 31, 2024	As at March 31, 2023
(valued at lower of cost and net realisable value)		
Raw materials and components*	4,257.25	9,793.31
Packing materials**	3,213.41	3,746.61
Finished goods***	487.49	886.68
Work-in-progress	4,139.52	4,614.65
Stores and spares****	504.40	411.75
	12,602.07	**19,453.00**

*Includes goods-in-transit of ₹ 18.86 (March 31, 2023: ₹ Nil)
**Includes goods-in-transit of ₹ 107.80 (March 31, 2023: ₹ 132.40)
***Includes stock-in-trade of ₹ 46.61 (March 31, 2023: ₹ 64.36)
****Includes goods-in-transit of ₹ 0.07 (March 31, 2023: ₹ 0.66)

The Company has recorded inventory write-down of ₹ 711.05 (March 31, 2023: ₹ 243.48). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade in the Statement of Profit and Loss, as the case may be.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

14 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.11	0.13
Balances with banks		
In current and deposit accounts	1,161.94	19,052.05
	1,162.05	**19,052.18**

15 Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
In deposit accounts[1]	14,823.44	18,617.80
	14,823.44	**18,617.80**

[1]Includes balances with banks of ₹ 1,006.82 (March 31, 2023: ₹ 78.45) held as margin money deposits against guarantees.

Breakup of financial assets

	As at March 31, 2024	As at March 31, 2023
Valued at amortised cost :		
Term deposits, interest accrued thereon and others	9,311.73	655.34
Trade receivables	11,714.02	8,628.39
Cash and cash equivalents	1,162.05	19,052.18
Bank balances other than cash and cash equivalents	14,823.44	18,617.80
Valued at cost :		
Investment in unquoted equity shares	23,857.35	81.57
Total financial assets	**60,868.59**	**47,035.28**

16 Share capital

	As at March 31, 2024	As at March 31, 2023
Authorised		
500,000,000 (March 31, 2023: 500,000,000) equity shares of ₹ 1 each	500.00	500.00
0.001 % 5,100,000 (March 31, 2023: 5,100,000) compulsorily convertible non cumulative preference shares of ₹ 10 each	51.00	51.00
0.001 % 1,200,000 (March 31, 2023: 1,200,000) redeemable convertible non cumulative preference shares of ₹ 10 each	12.00	12.00
	563.00	**563.00**
Equity share capital		
Issued, subscribed and fully paid up shares		
164,710,523 (March 31, 2023: 164,700,823) equity shares of ₹ 1 each	164.71	164.70
	164.71	**164.70**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

16 Share capital (Contd.)

(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, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	164,700,823	164.70	164,302,723	164.30
Add: Issue of shares		-	-	-
Add: Shares issued on exercise of employee stock option (refer note 38)	9,700	0.01	398,100	0.40
	164,710,523	**164.71**	**164,700,823**	**164.70**

(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, 2024 and March 31, 2023.

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 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, 2024		As at March 31, 2023	
	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
	95,293,934	**95.29**	**95,293,934**	**95.29**

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	57.86%	95,293,934	57.86%
Mirae Asset Mutual Fund	10,201,140	6.19%	7,523,199	4.57%
Nippon India Mutual Fund	9,109,149	5.53%	5,728,486	3.48%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

(e) Information regarding shares in the last five years

The Company has not issued any shares without payment being received in cash.

The Company has not issued any bonus shares.

The Company has not undertaken any buy-back of shares.

(f) Shares reserved for issue under options

During the year ended March 31, 2020, the Company had 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 standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

16 Share capital (Contd.)

(g) Details of shares held by promoters

As at March 31, 2024

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%
Total	**95,293,934**	**-**	**95,293,934**	**57.86%**	**0.00%**

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%
Total	**95,293,934**	**-**	**95,293,934**	**57.86%**	**0.00%**

17 Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium		
Balance at the beginning of the year	19,284.23	18,953.92
Add: Amount received towards Securities premium for stock option exercised	5.25	215.37
Add: Amount transferred from Share options outstanding reserve on account of exercise of stock options	2.81	114.94
Balance at the end of the year	**19,292.29**	**19,284.23**
Capital redemption reserve		
Balance at the beginning of the year	33.44	33.44
Balance at the end of the year	**33.44**	**33.44**
General reserve		
Balance at the beginning of the year	31.22	31.22
Balance at the end of the year	**31.22**	**31.22**
Share options outstanding reserve		
Balance at the beginning of the year	16.65	131.59
Less: Exercise of stock options	(2.81)	(114.94)
Balance at the end of the year	**13.84**	**16.65**
Retained earnings		
Balance at the beginning of the year	60,107.04	52,348.78
Add: Profit for the year	10,433.25	7,758.26
Balance at the end of the year	**70,540.29**	**60,107.04**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

17 Other equity (Contd.)

	As at March 31, 2024	As at March 31, 2023
Share application money		
Balance at the beginning of the year	-	0.81
Add: Money received for the year	5.26	214.96
Less: Allotment of Equity shares on exercise of stock options	(5.26)	(215.77)
Balance at the end of the year	-	-
Other comprehensive income		
Items recognised directly in Other comprehensive income		
Balance at the beginning of the year	(104.30)	(81.78)
Re-measurement loss on employee defined benefit plans, net of tax	(18.60)	(22.52)
Balance at the end of the year	**(122.90)**	**(104.30)**
	89,788.18	**79,368.28**

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 options outstanding reserve

The share options outstanding reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding reserve are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

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 standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

18 Dividends

	For the year ended March 31, 2024	For the year ended March 31, 2023
Proposed dividends on equity shares:		
Proposed dividend for the year ended on March 31, 2024: ₹ 20 per share (March 31,2023: ₹ Nil)	3,294.21	-
	3,294.21	**-**

The Board of Directors of the Company at its meeting held on May 22, 2024 has recommended a final dividend of ₹ 20 per equity share (face value of ₹ 1 each) which is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

19 Borrowings

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
From others (Unsecured)				
Deferred sales tax loan (refer note below)	25.51	32.61	7.10	5.60
	25.51	**32.61**	**7.10**	**5.60**

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

	As at March 31, 2024	As at March 31, 2023
Trade payables to third parties		
Dues to micro and small enterprises (refer note 39)	103.02	78.34
Other parties	2,799.90	5,760.97
Trade payables to related parties (refer note 40)	47.87	54.88
	2,950.79	**5,894.19**

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, 2024

	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	
Undisputed dues						
Micro and small enterprises	103.02	-	-	-	-	103.02
Others	1,821.32	991.16	15.80	14.49	5.00	2,847.77
Disputed dues						
Micro and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,924.34**	**991.16**	**15.80**	**14.49**	**5.00**	**2,950.79**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

20 Trade payables (Contd.)

As at March 31, 2023

	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	
Undisputed dues						
Micro and small enterprises	78.34	-	-	-	-	78.34
Others	2,896.36	2,891.51	17.82	8.59	1.57	5,815.85
Disputed dues						
Micro and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**2,974.70**	**2,891.51**	**17.82**	**8.59**	**1.57**	**5,894.19**

21 Lease liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note 46)	1.04	4.83	2.99	1.49
	1.04	**4.83**	**2.99**	**1.49**

22 Other financial liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital creditors*	-	-	85.10	154.93
Trade deposits payable	-	-	7.50	8.12
Refund liability	-	17.33	-	-
	-	**17.33**	**92.60**	**163.05**

*Includes amount payable to micro enterprises and small enterprises of ₹ 19.02 (March 31, 2023: ₹ 56.27) (refer note 39)

Breakup of financial liabilities

	As at March 31, 2024	As at March 31, 2023
Valued at amortised cost		
Non-current borrowings	25.51	32.61
Trade payables	2,950.79	5,894.19
Short-term borrowings (including current maturities of non-current borrowings)	7.10	5.60
Capital creditors	85.10	154.93
Trade deposits payable	7.50	8.12
Refund liability	-	17.33
Lease liabilities - Non-current	1.04	4.83
Lease liabilities - Current	2.99	1.49
Total financial liabilities	**3,080.03**	**6,119.10**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

Changes in liabilities arising from financing activities:

	Borrowings		Lease liabilities	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	38.21	39.33	6.32	8.10
Interest	-	-	0.42	0.61
Financing cash flows	(5.60)	(1.12)	(2.71)	(2.39)
Closing Balance	32.61	38.21	4.03	6.32

23 Provisions

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for gratuity (refer note 37)	79.48	-	-	154.52
Provision for compensatory absences	127.40	-	56.64	158.66
Closing Balance	206.88	-	56.64	313.18

24 Deferred tax liabilities, net

	As at March 31, 2024	As at March 31, 2023
Deferred tax liability relating to		
Property, plant and equipment and intangible assets	1,165.39	1,069.17
(A)	1,165.39	1,069.17
Deferred tax asset relating to		
Provision for employee benefits	66.33	78.82
Allowance for credit losses	15.95	147.70
Leases	0.50	0.62
(B)	82.78	227.14
(A-B)	1,082.61	842.03

Deferred tax (assets)/ liabilities:

For the year ended March 31, 2024:

	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	1,069.17	96.22	-	1,165.39
Provision for employee benefits	(78.82)	18.75	(6.26)	(66.33)
Allowance for credit losses	(147.70)	131.75	-	(15.95)
Leases	(0.62)	0.12	-	(0.50)
Deferred tax liabilities, net	842.03	246.84	(6.26)	1,082.61

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

24 Deferred tax liabilities, net (Contd.)

For the year ended March 31, 2023:

	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive 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)
Deferred tax liabilities, net	**877.60**	**(27.99)**	**(7.58)**	**842.03**

25 Current tax liabilities, net

	As at March 31, 2024	As at March 31, 2023
Income tax (net of advance tax and tax deducted at source)	264.06	-
	264.06	-

26 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues	114.84	128.28
Advances from customers*	489.37	760.42
Liability towards Corporate Social Responsibility (refer note 32A)	3.67	35.78
Unearned revenue	159.64	-
Others	0.26	-
	767.78	924.48

* Includes amounts received from related parties of ₹ Nil (March 31, 2023: ₹ 9.56) (refer note 40)

27 Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Revenue from contract with customers		
- Revenue from sale of goods	36,625.47	32,643.45
- Revenue from sale of services	4,818.91	3,194.41
(A)	41,444.38	35,837.86
B. Other operating income		
- Export incentives	229.90	162.12
- Compensation and Claims*	-	165.30
(B)	229.90	327.42
(A+B)	41,674.28	36,165.28

*Includes other operating income amounting to ₹ Nil (March 31, 2023: - ₹ 165.30) related to settlement for a product pursuant to a confidential settlement agreement.

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for the year ended March 31, 2024
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27A Revenue from contract with customers:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers, excluding other operating income

	For the year ended March 31, 2024	For the year ended March 31, 2023
USA	26,234.35	20,909.52
India	5,649.94	5,386.21
Europe	1,934.30	1,705.95
Canada	840.23	794.90
Australia	231.82	218.24
New Zealand	28.17	10.86
Rest of World(ROW)	6,525.57	6,812.18
	41,444.38	**35,837.86**
Timing of revenue recognition		
Goods and services transferred		
- Over time	4,818.91	3,194.41
- At a point of time	36,625.47	32,643.45
	41,444.38	**35,837.86**

Contract balances

	As at March 31, 2024	As at March 31, 2023
Trade receivables	11,714.02	8,628.39
Contract assets	895.17	872.59
Contract liabilities	649.01	760.42

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.

Refund Liabilities

	As at March 31, 2024	As at March 31, 2023
Arising from development agreements	-	17.33
	-	**17.33**

Refund liabilities are 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 fail, irrespective of whether the Company is at default or not.

Significant change in contract liabilities is explained as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	760.42	339.16
Revenue recognised during the year	(760.42)	(339.16)
Contract liabilities recognised during the year	649.01	760.42
Balance at the end of the year	**649.01**	**760.42**
Expected revenue recognition from remaining performance obligations		
- within one year	**649.01**	**760.42**

Notes to the standalone financial statements
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(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

27A Revenue from contract with customers: (Contd.)

Significant change in refund liabilities is explained as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	17.33	17.33
Amount utilised during the year	(17.33)	-
Balance at the end of the year	**-**	**17.33**

28 Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on		
- Term deposits with banks and financial institutions	1,489.15	1,791.17
- Others	5.89	3.00
Foreign exchange gain, net	115.66	571.46
Insurance claim	31.08	-
Gain on sale of investments	3.48	28.48
Miscellaneous income	21.40	10.53
	1,666.66	**2,404.64**

29 Cost of materials consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials and packing materials		
Inventory at the beginning of the year	13,539.92	6,436.75
Add: Purchases	11,028.14	24,270.68
	24,568.06	**30,707.43**
Less: Inventory at the end of the year	(7,470.66)	(13,539.92)
	17,097.40	**17,167.51**

30 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year		
Finished goods	440.88	822.32
Work in progress	4,139.52	4,614.65
Stock-in-trade	46.61	64.36
	4,627.01	**5,501.33**
Inventories at the beginning of the year		
Finished goods	822.32	462.16
Work in progress	4,614.65	4,440.69
Stock-in-trade	64.36	129.31
	5,501.33	**5,032.16**
	874.32	**(469.17)**

Notes to the standalone financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

31 Employee benefits expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	3,639.31	3,589.50
Contribution to provident and other funds	168.48	160.30
Gratuity expense (refer note 37)	81.18	66.98
Staff welfare expenses	210.48	180.23
	4,099.45	**3,997.01**

32 Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Stores consumed	581.92	478.92
Rent (refer note 46)	5.09	9.87
Repairs and maintenance:		
Plant and machinery	409.63	312.05
Buildings	161.24	140.80
Others	52.84	38.99
Rates and taxes	416.68	635.73
Quality control expenses	663.59	567.59
Research and development consumables	320.32	403.77
Legal and professional charges	454.56	354.06
Carriage outwards	135.34	197.07
Insurance	111.21	107.68
Printing and stationery	27.40	31.52
Travelling and conveyance	56.64	38.16
Selling and business promotion expenses	73.45	77.87
Sales commission	137.81	27.62
Payment to auditors*:		
Audit fees	18.85	12.40
Certifications fees and others	0.48	0.08
Out of pocket expenses	1.82	0.70
Allowance for credit losses	41.09	-
Bad debts written off, net	76.29	22.04
Other assets written off	-	63.32
Loss on disposal of property, plant and equipment, net	8.75	0.81
Corporate social responsibility (CSR) expenditure (refer note 32A)	266.73	261.87
Miscellaneous expenses	90.24	97.22
	4,111.97	**3,880.14**

*Includes ₹ 3.99 paid to erstwhile auditors during the current year

Notes to the standalone financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

32A Details of CSR expenditure

	For the year ended March 31, 2024	For the year ended March 31, 2023
Gross amount required to be spent by the Company during the year	266.73	261.87
Amount approved by the Board to be spent during the year	266.73	261.87
Amount spent (in cash) during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	263.06	226.09
Details related to spent / unspent obligations :		
i) Spent amount in relation to :		
- Ongoing project	129.04	130.92
- Other than ongoing project	134.02	95.17
ii) Unspent amount in relation to :		
- Ongoing project	3.67	35.78
- Other than ongoing project	-	-

Details of ongoing project:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance :		
With Company	-	22.75
In Separate CSR Unspent a/c	35.78	18.34
Amount required to be spent during the year :	132.71	166.70
Amount spent during the year :		
From Company's bank a/c	129.04	130.92
From Separate CSR Unspent a/c	35.78	41.09
Closing Balance :		
With Company*	3.67	35.78
In separate CSR unspent a/c	-	-

*Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 ("the Rules"), the Company has transferred the Unspent amount of ₹ 3.67 to a separate bank account subsequent to the balance sheet date.

Details of other than ongoing project for the year :

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	-	-
Amount required to be spent during the year	134.02	95.17
Amount spent during the year	134.02	95.17
Closing Balance	-	-

33 Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities (refer note 46)	0.42	0.61
Bank charges	7.07	11.27
Interest expense on others	70.94	62.26
	78.43	**74.14**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

34 Depreciation and amortisation expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	1,579.88	1,456.82
Depreciation on right-of-use assets (refer note 46)	1.80	1.80
Amortisation of other intangible assets	39.39	8.74
	1,621.07	**1,467.36**

35 Tax expense

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are :

Profit or loss section

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	3,410.20	2,761.94
Deferred tax credit	246.84	(27.99)
Adjustment of current income tax relating to earlier years	(35.32)	(8.19)
Total income tax expense recognised in Statement of Profit and Loss	**3,621.72**	**2,725.76**

OCI Section

	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax credit on remeasurement of defined benefit plans	(6.26)	(7.58)
Income tax charged to OCI	**(6.26)**	**(7.58)**

(b) Reconciliation of effective tax rate:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	14,054.97	10,484.02
Enacted tax rate in India (B)	25.168%	25.168%
Expected tax expenses (C = A*B)	**3,537.35**	**2,638.62**
Tax effect of:		
Non-deductible expenses	93.20	97.21
Adjustment for taxes with respect to earlier years	(35.32)	(8.19)
Impact on deferred tax in relation to taxes of earlier years	25.70	-
Others	0.79	(1.88)
Total (D)	**84.37**	**87.14**
Expected tax expense (C+D)	3,621.72	2,725.76
Income tax expense	**3,621.72**	**2,725.76**
Effective tax rate	**25.77%**	**26.00%**

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.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

36 Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to equity shareholders (₹)	10,433.25	7,758.26
Weighted average number of equity shares for Basic EPS	164,702,188	164,636,953
Dilutive effect of stock options outstanding	31,063	42,784
Weighted average number of equity shares for Diluted EPS	164,733,251	164,679,737
Face value of each equity share (₹)	1.00	1.00
Basic EPS (₹)	63.35	47.12
Diluted EPS (₹)	63.33	47.11

37 Employee benefits

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.

These defined benefit plans expose the Company to actuarial risk which are set out below:

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in government securities and debt instruments.

Interest rate risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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:

Net employee benefit expense (recognised in Employee benefits expense)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	69.88	60.11
Interest cost on net defined benefit liability	11.30	6.87
Net employee benefit expenses	**81.18**	**66.98**

Amount recognised in the Balance Sheet

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	629.68	538.46
Fair value of plan assets	(550.20)	(383.94)
Net defined benefit liability	**79.48**	**154.52**

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

37 Employee benefits (Contd.)

Changes in the present value of the defined benefit obligation

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	538.46	437.29
Current service cost	69.88	60.11
Interest cost	39.14	26.86
Benefits paid	(45.61)	(20.26)
Net Actuarial loss/(gain) on obligation for the year recognised under OCI	27.81	34.46
Closing defined benefit obligation	**629.68**	**538.46**

Change in the fair value of plan assets

	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	383.94	325.63
Interest income	27.85	20.00
Contributions	181.07	54.21
Benefits paid	(45.61)	(20.26)
Return on plan assets (excluding interest income)	2.95	4.36
Closing fair value of plan assets	**550.20**	**383.94**

The Company expects to contribute ₹ 145.97 to the gratuity fund in the next year (March 31, 2023: ₹ 215.67)

The average duration of the defined benefit obligation at the end of reporting period is 5 years (March 31, 2023 : 5 years)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2024	As at March 31, 2023
Investments with LIC	100%	100%

Re-measurement adjustments:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Experience loss/(gain)	29.81	14.14
Return on plan assets (excluding interest income)	(2.95)	(4.36)
Actuarial loss/(gain) arising from changes in financial assumptions	4.80	20.32
Actuarial loss/(gain) arising from changes in demographic assumptions	(6.80)	-
Re-measurement loss /(gain) recognised in other comprehensive income:	**24.86**	**30.10**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.15%	7.30%
Salary rise	12.00%	12.00%
Attrition rate	20.00%	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.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

37 Employee benefits (Contd.)

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.

Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments:

	As at March 31, 2024	As at March 31, 2023
1 year	110.72	104.51
2-5 years	391.80	315.96
6-10 years	243.84	215.02
>10 years	202.03	196.25

Sensitivity analysis:

The sensitivity of significant assumptions used for valuation of defined benefit obligation is as follows :

	As at March 31, 2024	As at March 31, 2023
Effect of 1% change in assumed discount rate		
- 1% increase	600.50	512.57
- 1% decrease	661.62	566.43
Effect of 1% change in assumed salary growth rate		
- 1% increase	659.89	564.94
- 1% decrease	601.47	513.38
Effect of 50% change in assumed attrition rate		
- 50% increase	583.63	499.26
- 50% decrease	738.62	629.38

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds (refer note 31)	168.48	160.30

III Other long term employee benefits

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 liability recorded towards this benefit ₹ 184.04 (March 31, 2023: ₹ 158.66).

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

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

Movement during the year

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of shares	Weighted average exercise prices (WAEP)	No. of shares	Weighted average exercise prices (WAEP)
Outstanding as at beginning of year	57,400	-	455,500	-
Granted during the year	-	-	-	-
Exercised during the year	(9,700)	542.00	(398,100)	542.00
Lapsed during the year	-	-	-	-
Outstanding as at end of the year	**47,700**		**57,400**	
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 exercised during the year (₹)	-	290.19	-	288.73

The Black Scholes valuation model has been used for computing the fair value of options on the grant date considering the following inputs :

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.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

39 Trade Payables and Capital creditors

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) are provided to the extent the company has received intimation from the "Suppliers" regarding their status thereunder. This has been relied upon by the auditors.

	As at March 31, 2024	As at March 31, 2023
Principal amount due to micro and small enterprise	122.04	134.61

There are no amounts of interest paid, due or payable during the year, the previous year, or even in the succeeding year. Also, there is no amount of interest accrued and remaining unpaid at the end of the year or the previous year.

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 Controlling Company
Fosun Pharma Industrial Pte. Ltd., Singapore	Holding Company of Gland Pharma Limited

Subsidiary

Gland Pharma International Pte. Ltd., Singapore

Step-down subsidiaries

Gland Pharma USA Inc., USA
Phixen SAS, France(1)
Cenexi SAS, France(2)
Cenexi Services SAS, France(2)
Cenexi HSC SAS, France(2)
Cenexi 2 SASU, France(2)
Cenexi 3 SASU, France(2)
Cenexi Laboratories Thissen SA, Belgium(2)
Phineximmo SA, Belgium(2)
Manxen SAS, France(1)
Manxen 2 SAS, France(1)
Manxen 3 SAS, France(1)

Fellow subsidiaries#

Aton (Shanghai) Biotech Co., Ltd., China
Avanc Pharma Distribution Co., Ltd., China
Chongqing Carelife Pharmaceutical Co., Ltd., China
Fosun Pharma USA Inc., USA
Jiangsu Wanbang Helios International Trade Co. Ltd., China
Shanghai Henlius Biotech Inc., China
Suzhou Erye Pharmaceutical Co. Ltd., China
Tridem Pharma SAS, France
Tridem Pharma Tanzania Limited, Tanzania
Wanbang Biopharmaceutical Company Limited, China

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

40 Related party disclosures (Contd.)

Name of the related party	Relationship
Key Management Personnel#	
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	Independent Director
Essaji Goolam Vahanvati	Independent Director
Nainalal Kidwai	Independent Director

*Fosun International Holdings Limited is the ultimate holding company of Shanghai Fosun Pharmaceutical (Group) Co., Ltd, China.

(1)Acquired by Gland Pharma International Pte Ltd., with effect from April 27, 2023.

(2)Subsidiary of Phixen SAS.

#Parties with whom transactions are entered.

Transactions during the year:

	Nature	For the year ended March 31, 2024	For the year ended March 31, 2023
Subsidiary			
Gland Pharma International Pte Ltd.	Investment made	23,775.78	-
Gland Pharma International Pte Ltd.	Sale of goods	2,430.15	2,208.10
Ultimate Controlling Company			
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Purchase of service	7.82	50.53
Fellow subsidiaries			
Avanc Pharma Distribution Co., Ltd.	Sale of goods	7.04	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Reimbursement of expense	8.70	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Purchase of raw material	96.11	-
Fosun Pharma USA Inc.	Sale of goods	3,343.61	2,091.49
Fosun Pharma USA Inc.	Sale of service	0.34	161.45
Fosun Pharma USA Inc.	Reimbursement of expense	99.73	81.03
Suzhou Erye Pharmaceutical Co. Ltd.	Purchase of raw material	-	93.42
Tridem Pharma SAS	Sale of goods	15.85	36.05
Tridem Pharma Tanzania Limited	Sale of goods	10.70	-
Wanbang Biopharmaceutical Company Limited	Purchase of raw material	158.00	1,498.26
Wanbang Biopharmaceutical Company Limited	Reimbursement of expense	8.70	-
Jiangsu Wanbang Helios International Trade Co. Ltd.	Sale of goods	-	16.66
Jiangsu Wanbang Helios International Trade Co. Ltd.	Reimbursement of expense	0.16	-
Shanghai Henlius Biotech Inc.	Reimbursement of expense	2.18	-
Aton (Shanghai) Biotech Co., Ltd	Reimbursement of expense	2.18	-

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for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

40 Related party disclosures (Contd.)

	Nature	For the year ended March 31, 2024	For the year ended March 31, 2023
Step-down subsidiaries			
Gland Pharma USA Inc.	Purchase of service	40.18	33.12
Cenexi HSC SAS	Sale of machinery	228.95	-
Key Management Personnel^			
Managing Director & CEO, Chief Financial Officer and Company Secretary	Salaries and other employee benefits	94.60	94.48
Non-executive / independent directors	Commission and other benefits	25.00	26.24

Closing balances receivable/(payable) (Unsecured):

	Nature	As at March 31, 2024	As at March 31, 2023
Fosun Pharma USA Inc.	Trade receivables and other assets	805.37	674.66
Fosun Pharma USA Inc.	Other current liabilities	-	(9.56)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Trade payables	(11.65)	(4.53)
Tridem Pharma SAS	Trade receivables	-	5.18
Tridem Pharma Tanzania Limited	Trade receivables	5.35	-
Gland Pharma USA Inc.	Trade payables	(9.44)	(27.55)
Gland Pharma International Pte Ltd.	Trade receivables	668.68	1,352.83
Cenexi HSC SAS	Other receivables	234.02	-
Shanghai Henlius Biotech Inc.	Trade receivables	2.17	-
Aton (Shanghai) Biotech Co., Ltd	Trade receivables	2.17	-
Wanbang Biopharmaceutical Company Limited	Trade receivables	8.70	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Trade receivables	8.70	-
Jiangsu Wanbang Helios International Trade Co. Ltd.	Trade payables	-	(0.03)
Payable to Key Management Personnel^	Trade payables	(26.78)	(22.81)

^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.

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.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

41 Key accounting estimates and judgements

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.

Critical accounting 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:

(i) Defined benefit obligation

The cost of 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 derived from the useful lives and residual values of all its property, plant and equipment as estimated by the management. The management believes that current depreciation rates fairly reflect their estimates of the useful lives and residual values of property, plant and equipment. The useful lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.

(iii) 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.

(iv) 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 standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees 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:

	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost:				
Term deposits, interest accrued thereon and others	9,311.73	655.34	9,311.73	655.34
Trade receivables	11,714.02	8,628.39	11,714.02	8,628.39
Cash and cash equivalents	1,162.05	19,052.18	1,162.05	19,052.18
Bank balances other than 'Cash and cash equivalents'	14,823.44	18,617.80	14,823.44	18,617.80
Financial assets at cost:				
Investment in unquoted equity shares	23,857.35	81.57	23,857.35	81.57
Financial liabilities at amortised cost:				
Borrowings (including current maturities)	32.61	38.21	32.61	38.21
Trade payables	2,950.79	5,894.19	2,950.79	5,894.19
Lease liabilities	4.03	6.32	4.03	6.32
Other financial liabilities	92.60	180.38	92.60	180.38

The management assessed that cash and cash equivalents, other bank balances, trade receivables, loans, borrowings, trade payables, leases 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. 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 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.

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for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

43 Financial risk management objectives and policies (Contd.)

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in Statement of Profit and Loss.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 11,714.02 and ₹ 8,628.39 as of March 31, 2024, and March 31, 2023, respectively, being the total of the carrying amount of balances with trade receivables. The Company has 2 customers (March 31, 2023: 1 customer) comprising 33.40% (March 31, 2023: 15.68%) of the 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:

	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2024:					
Borrowings (including current maturities)	7.10	25.51	-	-	32.61
Trade payables	2,950.79	-	-	-	2,950.79
Lease liabilities	2.99	0.75	-	-	3.74
Other financial liabilities	92.60	-	-	-	92.60
	3,053.48	**26.26**	**-**	**-**	**3,079.74**

	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2023:					
Borrowings (including current maturities)	5.60	21.59	11.02	-	38.21
Trade payables	5,894.19	-	-	-	5,894.19
Lease liabilities	2.71	3.74	-	-	6.45
Other financial liabilities	180.38	-	-	-	180.38
	6,082.88	**25.33**	**11.02**	**-**	**6,119.23**

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).

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 standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees 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:

	Currency	As at March 31, 2024 Amount in Foreign Currency	Amount in ₹	Conversion Rate	As at March 31, 2023 Amount in Foreign Currency	Amount in ₹	Conversion Rate
Cash and cash equivalent	USD	11.76	980.95	83.40	64.02	5,261.34	82.18
	EURO	0.01	1.15	89.87	0.42	37.57	89.47
Trade receivables	USD	126.16	10,522.39	83.40	97.24	7,991.65	82.18
	EURO	0.28	25.61	89.87	0.23	20.53	89.47
	AUD	0.34	18.13	54.11	0.36	19.69	55.03
	CAD	0.86	52.90	61.55	0.74	44.85	60.67
	AED	-	-	-	4.81	107.71	22.37
Other receivables	EURO	2.60	234.02	89.87	-	-	-
Trade payables	USD	16.68	1,391.48	83.40	38.97	3,202.56	82.18
	EURO	1.96	175.99	89.87	2.87	256.47	89.47
	GBP	0.01	1.39	105.21	0.00	0.10	101.64
Capital creditors	USD	0.06	4.94	83.40	0.43	35.46	82.18
	EURO	0.32	28.56	89.87	0.35	31.08	89.47

(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.

	Change in exchange rate Increase	Decrease	Effect on profit before tax Increase/(Decrease)	
March 31, 2024				
USD	1.00%	1.00%	103.24	(103.24)
EURO	1.00%	1.00%	0.56	(0.56)
March 31, 2023				
USD	1.00%	1.00%	100.15	(100.15)
EURO	1.00%	1.00%	(2.29)	2.29

44 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 when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise the shareholder value. The Company determines the capital requirement based on annual operating plans, long-term and other strategic investment plans. The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. 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.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

45 Commitments and contingencies

a. Commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	851.49	1,063.86

b. Contingent liabilities

		As at March 31, 2024	As at March 31, 2023
(i)	Outstanding bank guarantees (excluding performance obligations)	-	98.21
(ii)	Claims against the Company not acknowledged as debts	60.44	31.78
(iii)	Demand for direct taxes	21.81	17.25
(iv)	Demand for indirect taxes		
	Entry tax	47.01	46.95
	Service tax	8.50	8.50
	Value Added Tax and CST	5.30	5.30
	GST	12.75	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, 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.

46 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.

For movement of ROU assets, refer note 4

For movement of lease liabilities, refer note 22

For Maturity analysis of lease liabilities, refer note 43B

The following are the amounts recognised in Statement of Profit and Loss:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on right-of-use assets	1.80	1.80
Interest expense on lease liabilities	0.42	0.61
Expense relating to short-term leases (included in other expenses)	5.09	9.87
Total amount recognised in Statement of Profit and Loss	**7.31**	**12.28**

The Company has total cash outflow for leases of ₹ 2.71 and ₹ 2.39 for the year ended March 31, 2024 and March 31, 2023 respectively.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

47 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.

48 Research and development

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue expenditure (including depreciation)	1,629.40	1,845.29
Capital expenditure	144.35	168.59
	1,773.75	**2,013.88**

49 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for change (+/- 25 %)
Current Ratio	Current assets	Current liabilities	11.04	9.43	17%	
Debt- Equity Ratio	Total Debt[(1)]	Total Equity	0.00	0.00	0%	
Debt service Coverage Ratio	Earnings for debt service[(2)]	Debt service[(3)]	152.10	140.27	8%	
Return on Equity (ROE)	Profit for the year	Average Total Equity	12%	11%	9%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.61	1.53	5%	
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade receivable	4.10	3.73	10%	
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade payables	5.84	4.56	28%	Refer note[(7)]
Net Capital Turnover Ratio	Revenue from operations	Working capital[(4)]	1.00	0.59	69%	Refer note[(8)]
Net Profit Ratio	Profit for the year	Revenue from operations	25%	21%	19%	
Return on Capital Employed (ROCE)	EBIT[(5)]- taxes	Average capital employed[(6)]	12%	11%	9%	
Return on Investment (ROI)						
- Unquoted - mutual funds	Income generated from investments	Time weighted average investments	5.79%	3.32%	74%	Refer note[(9)]
- Unquoted - Others	Income generated from investments	Time weighted average investments	7.55%	5.54%	36%	Refer note[(10)]

[(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 Profit before interest, exceptional items and taxes

[(6)] Capital employed represents Total Assets – Current liabilities

[(7)] Efficiency in working capital management

[(8)] Decrease in current liabilities in current year

[(9)] Improvement in yields in current year

[(10)] Increase in interest rates

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

50 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The details of funds invested in intermediaries and further invested or loaned by intermediaries:

Name of the intermediary	Registered address	Corporate Identification Number	Relationship with the Company	Nature of transaction	Date	Amount* (in EUR million)	Amount* (in ₹ million)
Gland Pharma International Pte Ltd.	50 Raffles Place, Level 30, Singapore Land Tower, Singapore, 048623	202108434D	Wholly-owned subsidiary	Investment in equity shares	April 25, 2023	208.71	18,831.31
					November 6, 2023	25.14	2,229.85
					March 15, 2024	5.01	453.38
						238.86	**21,514.54**

* During the year ended March 31, 2024, the Company has invested in equity shares in Gland Pharma International Pte Ltd.
- For acquisition of Phixen SAS, France
- To provide loan to Phixen SAS, France and 3 other companies ("Manxen Companies") holding shares of Phixen SAS, France

The details of date and amount of fund further invested by intermediary to ultimate beneficiaries during the year ended March 31, 2024 are as follows :

Name of the ultimate beneficiaries	Registered address	Corporate Identification Number	Relationship with the Company	Nature of transaction	Date	Amount (in EUR million)	Amount (in ₹ million)
Phixen SAS	52, Rue Marcel et Jacques Gaucher – 94120 Fontenay-sous-Bois, France	812 077 774	Step down subsidiary	Investment in equity shares	April 27, 2023	114.26	10,313.19
				Inter-corporate loan given	April 27, 2023	79.38	7,164.75
					April 28, 2023	5.14	461.49
					May 15, 2023	5.00	448.87
					September 4, 2023	3.00	269.32
					October 6, 2023	2.00	179.54
					November 9, 2023	4.00	354.76
					November 17, 2023	3.00	266.07
					November 23, 2023	5.00	443.45
					November 30, 2023	3.00	266.07
					January 19, 2024	2.00	177.38
					February 9, 2024	5.00	443.45
					March 1, 2024	3.00	266.07
					March 18, 2024	5.00	452.97
Manxen SAS		812 269 496	Step down subsidiary	Inter-corporate loan given	April 27, 2023	0.07	6.38
Manxen 2 SAS		812 855 195	Step down subsidiary	Inter-corporate loan given	April 27, 2023	0.01	0.70
Manxen 3 SAS		830 453 619	Step down subsidiary	Inter-corporate loan given	April 27, 2023	0.00*	0.09
						238.86	**21,514.54**

*Amounting to 1,000 Euros

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

(vi) 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:

(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 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.

51 Events after the reporting period

The Board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 18 for details.

Notes to the standalone financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

52 Exceptional item

In the previous year, one of the customers of the Company had an outstanding balance of ₹ 564.61 million. Based on the customer's filing for voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas, on a prudent basis, a provision for credit-impaired financial assets was recorded during the year ended March 31, 2023, which being a one-off instance in the Company's historical collection trend of financial assets was disclosed as an exceptional item in the standalone financial statements.

53 The standalone financial statements of the Company for the year ended March 31, 2023, were audited by M/s S. R. Batliboi & Associates LLP, Chartered Accountants, the predecessor auditor, who expressed an unmodified opinion vide their report dated May 18, 2023.

As per our report of even date attached
for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Financial Statements

Consolidated

Independent Auditor's Report

To the Members of Gland Pharma Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Gland Pharma Limited** ("the Holding Company" or "the Parent Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

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 the other auditors on separate financial statements / financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue from Sale of goods** (Refer Note 2.2 (e) to the Consolidated Financial Statements) The Group recognises revenue from sale of goods based on the terms and conditions of the agreements/arrangements, which vary with different customers. For sale transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Group to the customer occurs before the balance sheet date. Considering material sale transactions close to the year end and that revenue recognition is subject to transfer of control to the customers before the balance sheet date, we consider the risk of revenue from sale of goods being recognised in the incorrect period as a key audit matter.	We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under: • Assessed the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluated the integrity of the general information and technology ('IT') control environment and testing the operating effectiveness of key IT application controls. • Understood the revenue recognition process, evaluating the design and implementation of Group's controls in respect of revenue cut-off at year end. • Tested the operating effectiveness of such controls over revenue cut off at year-end. • Tested the supporting documentation for sales transactions recorded during the period closer to the year end and examination of credit notes, if any, issued after the year end to determine whether the revenue was recognised in the correct period upon fulfilment of the performance obligations. • Performed analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.
2.	**Accounting for Business Combination** During the year, the Holding Company through its wholly-owned subsidiary Gland Pharma International Pte. Ltd., Singapore acquired 100% of the issued capital of Phixen SAS, France ('Cenexi') and three other companies ('Manxen companies') holding shares of Phixen SAS, France for an amount of ₹ 10,313.19 million (EUR 114.26 million) and refinanced the outstanding existing loan of ₹ 7,171.93 million (EUR 79.46 million) [Refer Note 51 of the Consolidated Financial Statements]. The acquisition was accounted for at the fair-values of net assets acquired, including intangibles, in accordance with Ind AS 103 – Business Combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their fair values on the acquisition date. Accounting for aforesaid acquisition included significant and complex judgments and estimates for determination of the fair value of consideration and purchase price allocation of the acquired assets and liabilities. This is a material acquisition for the Holding Company and given the judgements involved in the fair value measurements, this matter has been considered of most significance and hence, the same has been considered as a key audit matter.	We have performed the following principal audit procedures in relation to purchase price allocation which include a combination of testing internal controls and substantive testing as under: • We obtained understanding of the process followed by the Company in respect of the assessment of the accounting for the business combinations during the year. • We tested the design, implementation and operating effectiveness of controls over the process followed by the Company for accounting for business combinations including those over assessment of business, control, acquisition date, identification of assets and liabilities, determination of consideration, key assumptions, valuation methodology and disclosures related to the same. • Read the Share purchase agreement to obtain an understanding of the transaction and the key terms and conditions; • Obtained and reviewed the external valuation report, considered for fair values of acquired assets and liabilities and verified the mathematical accuracy of such report; • Assessed the professional competence, experience and objectivity of the management's valuation experts involved. • Involved our valuation specialists to review key assumptions considered in the valuation of tangible assets and intangible assets such as expected contributory margins, discount rate, growth rate and tested mathematical accuracy of the calculations used in the PPA. • Reviewed and challenged the reasonableness of key assumptions in purchase price allocation of the acquired assets and liabilities; • Evaluated the adequacy of disclosures in the consolidated financial statements, including disclosures of key assumptions and judgements in accordance with applicable Indian Accounting Standards.

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

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, the Management Discussion & Analysis, Report on Corporate Governance and Business Responsibility & Sustainability Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- 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 and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. 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 the assets of the Group 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 financial controls 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 consolidated 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 the 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 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 financial statements, including the disclosures, and whether the consolidated 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 within the Group to express an opinion on the consolidated 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the 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.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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 financial statements of the current period 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 Matters

(a) We did not audit the financial statements / financial information of nine subsidiaries, whose financial statements / financial information reflect total assets of ₹ 22,057.44 million as at March 31, 2024, total revenues of ₹ 14,917.68 million and net cash outflows amounting to ₹ 38.20 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹ 660.06 million as at March 31, 2024, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.41 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above 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 / financial information certified by the Management.

(c) The consolidated financial statements of the Holding Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements vide their report dated May 18, 2023.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above, 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the 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 financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Holding Company.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 44(b) to the consolidated financial statements;

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

      iv) (a) The Management of the Holding Company, has represented to us, that, to the best of their knowledge and belief, other than those disclosed in the Note 49 to the consolidated financial statements, 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 Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management of the Holding Company, have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities.

      (c) Based on the 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v) As stated in note 17 to the consolidated financial statements, the Board of Directors of the Holding company, have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

      vi) Based on our examination which included test checks, the Holding Company has used accounting software(s) for maintaining its books of account for the year ended March 31, 2024 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit, we have not come across any instance of the audit trail feature being tampered with.

      As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO report issued by us, we report that there are no qualifications or adverse remarks in the CARO report of the Holding Company included in the consolidated financial statements.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 24047840BKFIXS3287

Place: Hyderabad
Date: May 22, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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 financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Gland Pharma Limited (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements 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 ("the 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 consolidated 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 control with reference to consolidated 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 financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to consolidated financial statements 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 24047840BKFIXS3287

Place: Hyderabad
Date: May 22, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	35,413.09	15,585.01
Right-of-use assets	4	509.60	3.86
Capital work-in-progress	5	2,378.83	1,772.16
Goodwill	6	2,422.59	-
Intangible assets	6A	1,122.19	116.61
Financial assets			
Other financial assets	8	6,559.13	-
Deferred tax assets, net	23	504.37	-
Tax assets, net	10	274.94	225.22
Other non-current assets	11	976.20	1,064.41
		50,160.94	**18,767.27**
Current assets			
Inventories	12	16,552.37	19,453.00
Financial assets			
Loans	7	-	1.39
Trade receivables	9	15,586.90	8,713.94
Cash and cash equivalents	13	3,570.88	19,088.95
Bank balances other than cash and cash equivalents	14	14,823.44	18,617.80
Other financial assets	8	2,519.34	655.21
Other current assets	11	3,398.59	2,477.79
		56,451.52	**69,008.08**
Total Assets		**106,612.46**	**87,775.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	164.71	164.70
Other equity	16	87,073.72	79,422.52
Equity attributable to the owners of the Company		**87,238.43**	**79,587.22**
Non-controlling interests		-	-
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	1,065.40	32.61
Lease liabilities	20	346.79	4.83
Other financial liabilities	21	-	17.33
Provisions	22	1,372.12	-
Deferred tax liabilities, net	23	2,201.23	842.03
Other non-current liabilities	25	404.86	-
		5,390.40	**896.80**
Current liabilities			
Financial liabilities			
Borrowings	18	2,132.42	5.60
Lease liabilities	20	177.05	1.49
Trade payables	19	8,626.92	5,873.50
Other financial liabilities	21	92.60	163.05
Provisions	22	589.07	313.18
Current tax liabilities, net	24	516.37	9.85
Other current liabilities	25	1,849.20	924.66
		13,983.63	**7,291.33**
Total Equity and Liabilities		**106,612.46**	**87,775.35**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from operations	26	56,647.22	36,246.01
Other income	27	1,702.35	2,404.63
Total income (I)		**58,349.57**	**38,650.64**
EXPENSES			
Cost of materials consumed	28	20,221.37	17,167.51
Purchase of stock-in-trade		230.66	155.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	1,278.85	(469.17)
Power and fuel		2,299.91	1,248.37
Employee benefits expense	30	12,568.93	4,032.61
Depreciation and amortisation expense	33	3,445.66	1,467.36
Finance costs	32	262.00	74.47
Other expenses	31	6,716.77	3,863.13
Total expenses (II)		**47,024.15**	**27,540.21**
Profit before exceptional item and tax (III)= (I-II)		**11,325.42**	**11,110.43**
Exceptional item (IV)	53	-	564.61
Profit before tax (V)=(III-IV)		**11,325.42**	**10,545.82**
Tax expense	34		
Current tax		3,492.99	2,771.57
Deferred tax charge		143.34	(27.99)
Taxes of earlier years		(35.51)	(8.19)
Total tax expense (VI)		**3,600.82**	**2,735.39**
Profit for the year (VII)=(V-VI)		**7,724.60**	**7,810.43**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans		25.19	30.10
Deferred tax impact on remeasurement of defined benefit plans		(6.34)	(7.58)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		59.80	(8.14)
Total other comprehensive loss for the year, net of tax (VIII)		**78.65**	**14.38**
Total comprehensive income for the year, net of tax (IX) = (VII-VIII)		**7,645.95**	**7,796.05**
Profit attributable to:			
Owners of the Company		**7,724.60**	**7,810.43**
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		**7,645.95**	**7,796.05**
Non-controlling interests		-	-
Earnings per equity share (Face value of ₹ 1 each):	35		
Basic (₹)		46.90	47.44
Diluted (₹)		46.89	47.43

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

a. Equity share capital

Equity shares of ₹ 1 each, issued, subscribed and fully paid	No.	Amount
As at April 1, 2022	**164,302,723**	**164.30**
Add: Issued during the year (refer note 15(a))	398,100	0.40
As at March 31, 2023	**164,700,823**	**164.70**
Add: Issued during the year (refer note 15(a))	9,700	0.01
As at March 31, 2024	**164,710,523**	**164.71**

b. Other equity

	Reserves and surplus						Other comprehensive income				
	Securities premium	Capital redemption reserve	General reserve	Share options outstanding reserve	Retained earnings	Share application money	Remeasurement of defined benefit plans (net of tax)	Foreign currency translation reserve	Total equity attributable to the owners of the Company	Non-controlling interests	Total
As at April 1, 2022	**18,953.92**	**33.44**	**31.22**	**131.59**	**52,343.45**	**0.81**	**(81.78)**	**(0.74)**	**71,411.91**	**-**	**71,411.91**
Profit for the year	-	-	-	-	7,810.43	-	-	-	7,810.43	-	7,810.43
Received on exercise of employee stock options	-	-	-	-	-	214.96	-	-	214.96	-	214.96
Other comprehensive income	-	-	-	-	-	-	(22.52)	8.14	(14.38)	-	(14.38)
Issue of equity shares on exercise of employee stock options	215.37	-	-	-	-	(215.77)	-	-	(0.40)	-	(0.40)
Transfer to securities premium on exercise of employee stock options	114.94	-	-	(114.94)	-	-	-	-	-	-	-
As at March 31, 2023	**19,284.23**	**33.44**	**31.22**	**16.65**	**60,153.88**	**-**	**(104.30)**	**7.40**	**79,422.52**	**-**	**79,422.52**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	Reserves and surplus						Other comprehensive income				
	Securities premium	Capital redemption reserve	General reserve	Share options outstanding reserve	Retained earnings	Share application money	Remeasurement of defined benefit plans (net of tax)	Foreign currency translation reserve	Total equity attributable to the owners of the Company	Non-controlling interests	Total
Profit for the year	-	-	-	-	7,724.60	-	-	-	7,724.60	-	7,724.60
Received on exercise of employee stock options	-	-	-	-	-	5.26	-	-	5.26	-	5.26
Other comprehensive income	-	-	-	-	-	-	(18.85)	(59.80)	(78.65)	-	(78.65)
Issue of equity shares on exercise of employee stock options	5.25	-	-	-	-	(5.26)	-	-	(0.01)	-	(0.01)
Transfer to securities premium on exercise of employee stock options	2.81	-	-	(2.81)	-	-	-	-	-	-	-
As at March 31, 2024	**19,292.29**	**33.44**	**31.22**	**13.84**	**67,878.48**	**-**	**(123.15)**	**(52.40)**	**87,073.72**	**-**	**87,073.72**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	**11,325.42**	**10,545.82**
Adjustments for:		
Depreciation and amortisation expense	3,445.66	1,467.36
Exceptional item (refer note 53)	-	564.61
Other assets written off	-	63.32
Allowance for credit losses	138.36	-
Bad debts written off	75.85	22.04
Interest expense	197.24	62.26
Interest on lease liabilities	20.66	0.61
Unrealised foreign exchange (gain)/loss, net	(129.72)	23.56
Gain on sale of investments	(3.48)	(28.48)
(Gain)/Loss on disposal of property, plant and equipment, net	(2.49)	0.81
Interest income	(1,506.05)	(1,794.17)
Changes in operating assets and liabilities:		
Trade receivables	(3,249.55)	1,439.97
Inventories	6,660.77	(7,596.33)
Loans and other assets	(50.98)	359.75
Trade payables and other financial liabilities	(3,788.70)	1,209.76
Provisions and other liabilities	(103.53)	407.44
Cash generated from operations	**13,029.46**	**6,748.33**
Income taxes paid, net	(3,061.49)	(3,108.65)
Net cash generated from operating activities (A)	**9,967.97**	**3,639.68**
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,899.30)	(2,209.29)
Proceeds from disposal of property, plant and equipment	7.67	1.40
Purchase of other intangible assets	(83.26)	(21.90)
Purchase of investments	(2,649.87)	(4,699.79)
Proceeds from sale of investments	2,653.35	6,277.01
Investment in term deposits, net	(4,750.65)	11,128.41
Interest received	1,370.51	1,606.04
Consideration paid for the acquisition of subsidiaries (Net of cash acquired ₹ 95.63 million)	(10,217.56)	-
Net cash (used in)/ generated from investing activities (B)	**(17,569.11)**	**12,081.88**

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from financing activities		
Proceeds from the exercise of employee stock option	5.26	214.96
Proceeds from borrowings	210.28	-
Repayment of borrowings	(7,773.06)	(1.12)
Payment towards principal portion of lease liabilities	(180.53)	(1.78)
Finance costs paid (including interest on lease liabilities)	(256.11)	(62.87)
Net cash (used in)/generated from financing activities (C)	**(7,994.16)**	**149.19**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(15,595.30)**	**15,870.75**
Effect of exchange differences on cash and cash equivalents held in foreign currency	77.23	30.00
Cash and cash equivalents at the beginning of the year	19,088.95	3,188.20
Cash and cash equivalents at the end of the year	**3,570.88**	**19,088.95**
Components of cash and cash equivalents		
Cash on hand	0.11	0.13
With banks in current account	1,155.91	5,461.82
With banks in deposit account	2,414.86	13,627.00
Total cash and cash equivalents (refer note 13)	**3,570.88**	**19,088.95**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

1. Corporate information

Gland Pharma Limited (the 'Company' or the 'Holding Company' or the 'Parent Company') is a public limited company domiciled in India and was incorporated on March 20, 1978 under the provisions of the Companies Act applicable in India, having Corporate Identification Number L24239TG1978PLC002276. 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 Group is primarily engaged in manufacturing injectable formulations. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited. These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the 'Group').

For details regarding subsidiaries of the Group, (refer note 38).

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on May 22, 2024.

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 Indian Rupees Millions, 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 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. 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.

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The financial statements of all entities used for the purpose of consolidation are drawn up to the 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 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:

a) 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.

b) 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.

c) 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 material accounting policies

(a) New and amended standards

New Accounting Standards, Amendments and Interpretations adopted by the Company effective from April 1, 2023:

Ind AS 1 – Presentation of Financial Statements

The amendment requires disclosure of material accounting policies instead of significant accounting policies. The amendments did not result in any changes in the accounting policies themselves, nor did they have any impact on recognition, measurement or presentation of any items in the consolidated financial statements. However, they impacted the accounting policy information disclosed in the Company's consolidated financial statements. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The impact of such modifications to the accounting policies is insignificant.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a new definition of 'accounting estimates' and clarified the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It also clarifies how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the consolidated financial statements.

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Ind AS 12 – Income taxes

The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the consolidated financial statements.

New Accounting Standards, Amendments and Interpretations not yet adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to 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
- 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

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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

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 is 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 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

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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 that is conditional upon factors other than the passage of time. A contract asset is recognised when the Group transfers goods or services to a customer before the customer pays consideration or before payment is due. Contract assets primarily relate to unbilled amounts and are classified as non-financial assets.

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 its obligation under the contract.

Unearned Revenue

Unearned revenue is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within a contractually agreed credit period.

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) Business combinations and goodwill

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

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- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(g) 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 utilised.

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 assets to be recovered.

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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.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, 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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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	25-30
Tube wells	5
Plant and Equipment	8-20
Laboratory Equipment	10
Office Equipment	3-5
Furniture and fixtures	5-10
Vehicles	5-10
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.

(i) 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 the carrying value of another asset.

Intangible assets are amortised over their estimated useful life on a straight-line basis as follows:

Asset	Useful lives
Customer relationship	15 years
Order backlog	20 months
Other intangibles	Over the period of the respective project

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.

(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 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,

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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 and 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 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) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period the employee renders the related service.

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Post-Employment Benefits

Defined Contribution Plans

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 the 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.

Defined Benefit Plans

The Group operates a defined benefit gratuity and pension plans, 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

Other long-term employee benefits

Compensated absences

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.

Long service award

The Group also have obligations towards long service award for certain employees completing specified years of service. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in consolidated Statement of Profit and Loss in the period in which they arise.

(n) 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.

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(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

The Group's 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 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 an 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.

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for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

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
- 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, borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables 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

Borrowings

After initial recognition, 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 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.

(o) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and term deposits, which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(p) 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.

(q) 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.

(r) 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 the performance of the operating segments and accordingly is identified as chief operating decision maker.

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for the year ended March 31, 2024
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3 Property, plant and equipment

	Freehold Land	Buildings	Plant and machinery	Laboratory equipment	Research and Development equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Tubewells	Total
Gross carrying value											
As at April 1, 2022	**627.07**	**3,202.87**	**14,346.21**	**1,053.52**	**692.17**	**302.16**	**142.61**	**50.68**	**353.14**	**1.58**	**20,772.01**
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)
As at March 31, 2023	**634.58**	**3,327.70**	**15,722.63**	**1,199.68**	**856.25**	**344.26**	**156.62**	**53.85**	**511.17**	**1.58**	**22,808.32**
Additions	2.57	273.36	3,115.67	269.12	144.35	13.24	8.98	1.97	58.64	-	3,887.90
Additions through business combinations (refer note 51)	8,705.72	2,343.42	7,732.51	262.40	-	9.93	1.12	0.32	38.88	-	19,094.30
Disposals	-	-	(15.33)	(1.24)	-	-	-	(2.23)	-	-	(18.80)
Foreign currency translation adjustments	(37.43)	(10.05)	(32.46)	(1.06)	-	(0.04)	-	-	(0.15)	-	(81.19)
As at March 31, 2024	**9,305.44**	**5,934.43**	**26,523.02**	**1,728.90**	**1,000.60**	**367.39**	**166.72**	**53.91**	**608.54**	**1.58**	**45,690.53**
Accumulated depreciation											
As at April 1, 2022	**-**	**614.99**	**4,085.08**	**399.99**	**234.49**	**140.59**	**72.07**	**23.07**	**209.32**	**1.49**	**5,781.09**
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)
As at March 31, 2023	**-**	**734.43**	**5,125.00**	**507.78**	**292.22**	**169.61**	**93.87**	**28.72**	**270.17**	**1.51**	**7,223.31**
Charge for the year	-	432.26	2,170.04	205.19	77.15	33.85	22.92	6.00	119.05	0.02	3,066.48
Disposals	-	-	(11.38)	(0.67)	-	-	-	(1.57)	-	-	(13.62)
Foreign currency translation adjustments	-	0.27	0.91	0.07	-	-	-	-	0.02	-	1.27
As at March 31, 2024	**-**	**1,166.96**	**7,284.57**	**712.37**	**369.37**	**203.46**	**116.79**	**33.15**	**389.24**	**1.53**	**10,277.44**
Net carrying value											
As at March 31, 2023	**634.58**	**2,593.27**	**10,597.63**	**691.90**	**564.03**	**174.65**	**62.75**	**25.13**	**241.00**	**0.07**	**15,585.01**
As at March 31, 2024	**9,305.44**	**4,767.47**	**19,238.45**	**1,016.53**	**631.23**	**163.93**	**49.93**	**20.76**	**219.30**	**0.05**	**35,413.09**

Notes to the consolidated financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

4 Right-of-use assets

Movement in the carrying amount of right-of-use ('ROU') assets is as below:

	Category of ROU assets				
	Leasehold land	Vehicles	Buildings	Other equipment	Total
Cost					
As at April 1, 2022	**11.41**	**-**	**-**	**-**	**11.41**
As at March 31, 2023	**11.41**	**-**	**-**	**-**	**11.41**
Additions	-	105.35	-	73.32	178.67
Additions through business combinations (refer note 51)	-	36.71	8.76	479.92	525.39
Disposals	-	(17.29)	-	(14.78)	(32.07)
Foreign currency translation adjustments	-	(0.08)	(0.04)	(2.01)	(2.13)
As at March 31, 2024	**11.41**	**124.69**	**8.72**	**536.45**	**681.27**
Accumulated depreciation					
As at April 1, 2022	**5.75**	**-**	**-**	**-**	**5.75**
Charge for the year	1.80	-	-	-	1.80
As at March 31, 2023	**7.55**	**-**	**-**	**-**	**7.55**
Charge for the year	1.80	24.20	1.59	164.71	192.30
Disposals	-	(13.54)	-	(14.78)	(28.32)
Foreign currency translation adjustments	-	0.01	-	0.13	0.14
As at March 31, 2024	**9.35**	**10.67**	**1.59**	**150.06**	**171.67**
Net carrying value					
As at March 31, 2023	**3.86**	**-**	**-**	**-**	**3.86**
As at March 31, 2024	**2.06**	**114.02**	**7.13**	**386.39**	**509.60**

5 Details of Capital work-in-progress (CWIP)

Movement in CWIP

	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,772.16	1,807.45
Additions	3,821.13	2,017.83
Additions through business combinations (refer note 51)	675.92	-
Foreign currency translation adjustments	(2.48)	-
Capitalised	(3,887.90)	(2,053.12)
Closing balance	**2,378.83**	**1,772.16**

Capital work in progress (CWIP) - Ageing Schedule
As at March 31, 2024

	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	1,695.85	282.31	124.88	275.79	2,378.83
Projects temporarily suspended	-	-	-	-	-
Total	**1,695.85**	**282.31**	**124.88**	**275.79**	**2,378.83**

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for the year ended March 31, 2024

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5 Details of Capital work in progress (CWIP) (Contd.)

As at March 31, 2023

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,210.14	211.52	226.42	124.08	1,772.16
Projects temporarily suspended	-	-	-	-	-
Total	**1,210.14**	**211.52**	**226.42**	**124.08**	**1,772.16**

As at March 31, 2024 and March 31, 2023, there are no projects which have exceeded its cost as compared to its original plan.

For capital work-in-progress, projects whose completion is overdue as at March 31, 2024 are as under:

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Replacement of cooling towers, Fontenay site	269.62	-	-	-	269.62
Others	6.17	-	-	-	6.17
Total	**275.79**	**-**	**-**	**-**	**275.79**

For capital work-in-progress, projects whose completion was overdue as at March 31, 2023 are as under:

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
PMY-LYO	163.03	-	-	-	163.03
PMY-PFS	-	-	237.32	-	237.32
Total	**163.03**	**-**	**237.32**	**-**	**400.35**

6 Goodwill

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	-	-
Additions through business combinations (refer note 51)	2,433.05	-
Foreign currency translation adjustments	(10.46)	-
Balance at end of the year	**2,422.59**	**-**

Impairment assessment of Goodwill:

The carrying amount of goodwill pertains to the acquisition of Phixen SAS Cash Generating Unit (CGU) during the current year.

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired. Based on management's assessment as of March 31, 2024, there are no indicators of impairment, and the carrying amount of the CGU is recoverable.

The Group generally uses discounted cash flow (DCF) method to determine the recoverable amount. The DCF method for the CGU is based on future cash flows using a terminal value growth rate of 2.5% and a pre-tax discount rate of 10.3% for periods beyond the forecast period of 5 years. Cash flow projections consider past experience and management's best estimates of future developments.

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6 Goodwill (Contd.)

The discount rate represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted. The pre-tax discount rate is based on the estimated Weighted Average Cost of Capital (WACC) of the CGU, computed using the Capital Asset Pricing Model (CAPM). Terminal value growth rates consider external macroeconomic data and industry-specific trends.

6A Intangible assets

	Customer relationship	Order backlog	Others	Total
Gross carrying value				
As at April 1, 2022	**-**	**-**	**29.82**	**29.82**
Additions	-	-	100.00	100.00
Disposals	-	-	-	-
As at March 31, 2023	**-**	**-**	**129.82**	**129.82**
Additions	-	-	83.27	83.27
Disposals	-	-	-	-
Additions through business combinations (refer note 51)	920.67	18.05	175.35	1,114.07
Foreign currency translation adjustments	(3.96)	(0.08)	(0.71)	(4.75)
As at March 31, 2024	**916.71**	**17.97**	**387.73**	**1,322.41**
Accumulated amortisation				
As at April 1, 2022	**-**	**-**	**4.47**	**4.47**
Charge for the year	-	-	8.74	8.74
Disposals	-	-	-	-
As at March 31, 2023	**-**	**-**	**13.21**	**13.21**
Charge for the year	55.97	9.88	121.03	186.88
Disposals	-	-	-	-
Foreign currency translation adjustments	0.05	0.01	0.07	0.13
As at March 31, 2024	**56.02**	**9.89**	**134.31**	**200.22**
Net carrying value				
As at March 31, 2023	**-**	**-**	**116.61**	**116.61**
As at March 31, 2024	**860.69**	**8.08**	**253.42**	**1,122.19**

7 Loans

	As at March 31, 2024	As at March 31, 2023
Other loans (Unsecured, considered good)		
Loans to employees	-	1.39
	-	**1.39**

Notes to the consolidated financial statements

for the year ended March 31, 2024

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8 Other financial assets

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Term deposits with banks and financial institutions	6,545.00	-	2,000.00	-
Interest accrued, but not due on deposits with banks, financial institutions and others	14.13	-	484.19	655.21
Other receivables	-	-	35.15	-
	6,559.13	**-**	**2,519.34**	**655.21**

9 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Unsecured		
Trade receivables from related parties (refer note 38)	752.96	610.62
Trade receivables from other parties	14,833.94	8,103.32
	15,586.90	**8,713.94**
Considered good, unsecured	15,778.55	8,736.21
Credit impaired	-	564.61
	15,778.55	**9,300.82**
Less: Allowance for credit losses	(191.65)	(586.88)
	15,586.90	**8,713.94**

Trade receivables - Ageing Schedule

As at March 31, 2024

	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	1,185.00	10,952.21	3,375.80	152.98	98.46	9.70	4.40	15,778.55
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total	**1,185.00**	**10,952.21**	**3,375.80**	**152.98**	**98.46**	**9.70**	**4.40**	**15,778.55**
Less: Allowance for credit loss								(191.65)
Total Trade receivables								**15,586.90**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

9 Trade receivables (Contd.)

As at March 31, 2023

	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	-	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	28.76	135.87	350.67	49.31	-	-	564.61
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**815.80**	**5,493.34**	**2,817.22**	**141.36**	**33.10**	**-**	**9,300.82**
Less: Allowance for credit loss								(586.88)
Total Trade receivables								**8,713.94**

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.

Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

The details of changes in allowance for credit losses is as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	586.88	52.06
Additions through business combinations	312.94	-
Provision made/reversed during the year, net	138.36	564.61
Trade receivables written off during the year	(845.03)	(29.79)
Foreign currency translation adjustments	(1.50)	-
Balance at the end of the year	**191.65**	**586.88**

10 Tax assets, net

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Advance income tax, net	274.94	225.22	-	-
	274.94	**225.22**	**-**	**-**

Notes to the consolidated financial statements

for the year ended March 31, 2024

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11 Other assets

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Capital advance	408.50	629.61	-	-
Security deposits	185.09	100.50	0.91	0.67
Advances to employees	-	-	9.92	-
Advances for material supplies and services	-	-	210.97	328.87
Prepaid expenses	56.81	-	384.65	138.22
Contract asset[@]	-	-	895.17	872.59
Export rebate claims receivable	-	-	38.75	28.22
Export incentives receivable	-	-	83.33	88.37
Balance with statutory/ government authorities	325.80	334.30	1,774.89	1,020.85
	976.20	**1,064.41**	**3,398.59**	**2,477.79**

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.

[@]Includes amount receivable from related parties of ₹ 79.50 (March 31, 2023: ₹ 69.22) (refer note 38)

12 Inventories

	As at March 31, 2024	As at March 31, 2023
(valued at lower of cost and net realisable value)		
Raw materials and components*	4,590.02	9,793.31
Packing materials**	4,654.43	3,746.61
Finished goods***	866.21	886.68
Work-in-progress	5,432.52	4,614.65
Stores and spares****	1,009.19	411.75
	16,552.37	**19,453.00**

*Includes goods-in-transit of ₹ 18.86 (March 31, 2023: ₹ Nil)

**Includes goods-in-transit of ₹ 107.80 (March 31, 2023: ₹ 132.40)

***Includes stock-in-trade of ₹ 46.61 (March 31, 2023: ₹ 64.36)

****Includes goods-in-transit of ₹ 0.07 (March 31, 2023: ₹ 0.66)

The Group has recorded inventory write-down of ₹ 1,014.50 (March 31, 2023: ₹ 243.48). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade in the statement of profit and loss, as the case may be.

13 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.11	0.13
Balances with banks		
In current and deposit accounts	3,570.77	19,088.82
	3,570.88	**19,088.95**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

14 Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
In deposit accounts[(1)]	14,823.44	18,617.80
	14,823.44	**18,617.80**

[(1)]Includes balances with banks of ₹ 1,006.82 (March 31, 2023: ₹ 78.45) held as margin money deposits against guarantees.

Breakup of financial assets

	As at March 31, 2024	As at March 31, 2023
Valued at amortised cost :		
Term deposits, interest accrued thereon and others	9,078.47	656.60
Trade receivables	15,586.90	8,713.94
Cash and cash equivalents	3,570.88	19,088.95
Bank balances other than cash and cash equivalents	14,823.44	18,617.80
Total financial assets	**43,059.69**	**47,077.29**

15 Share capital

	As at March 31, 2024	As at March 31, 2023
Authorised		
500,000,000 (March 31, 2023: 500,000,000) equity shares of ₹ 1 each	500.00	500.00
0.001 % 5,100,000 (March 31, 2023: 5,100,000) compulsorily convertible non cumulative preference shares of ₹ 10 each	51.00	51.00
0.001 % 1,200,000 (March 31, 2023: 1,200,000) redeemable convertible non cumulative preference shares of ₹ 10 each	12.00	12.00
	563.00	**563.00**
Equity share capital		
Issued, subscribed and fully paid up shares		
164,708,123 (March 31, 2023: 164,700,823) equity shares of ₹ 1 each	164.71	164.70
	164.71	**164.70**

(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, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	164,700,823	164.70	164,302,723	164.30
Add: Issue of shares	-	-	-	-
Add: Shares issued on exercise of employee stock option (refer note 37)	9,700	0.01	398,100	0.40
	164,710,523	**164.71**	**164,700,823**	**164.70**

(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, 2024 and March 31, 2023.

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.

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

15 Share capital (Contd.)

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity 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, 2024		As at March 31, 2023	
	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
	95,293,934	**95.29**	**95,293,934**	**95.29**

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Fosun Pharma Industrial Pte. Ltd., Singapore	95,293,934	57.86%	95,293,934	57.86%
Mirae Asset Mutual Fund	10,201,140	6.19%	7,523,199	4.57%
Nippon India Mutual Fund	9,109,149	5.53%	5,728,486	3.48%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

(e) Information regarding shares in the last five years

The Company has not issued any shares without payment being received in cash.

The Company has not issued any bonus shares.

The Company has not undertaken any buy-back of shares.

(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.

(g) Details of shares held by promoters

As at March 31, 2024

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%
Total	**95,293,934**	**-**	**95,293,934**	**57.86%**	**0.00%**

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%
Total	**95,293,934**	**-**	**95,293,934**	**57.86%**	**0.00%**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

16 Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium		
Balance at the beginning of the year	19,284.23	18,953.92
Add: Amount received towards Securities premium for stock option exercised	5.25	215.37
Add: Amount transferred from Share options outstanding reserve on account of exercise of stock options	2.81	114.94
Balance at the end of the year	**19,292.29**	**19,284.23**
Capital redemption reserve		
Balance at the beginning of the year	33.44	33.44
Balance at the end of the year	**33.44**	**33.44**
General reserve		
Balance at the beginning of the year	31.22	31.22
Balance at the end of the year	**31.22**	**31.22**
Share options outstanding reserve		
Balance at the beginning of the year	16.65	131.59
Less: Exercise of stock options	(2.81)	(114.94)
Balance at the end of the year	**13.84**	**16.65**
Retained earnings		
Balance at the beginning of the year	60,153.88	52,343.45
Add: Profit for the year	7,724.60	7,810.43
Balance at the end of the year	**67,878.48**	**60,153.88**
Share application money		
Balance at the beginning of the year	-	0.81
Add: Money received for the year	5.26	214.96
Less: Allotment of Equity shares on exercise of stock options	(5.26)	(215.77)
Balance at the end of the year	**-**	**-**
Other comprehensive income		
Items recognised directly in Other comprehensive income		
Balance at the beginning of the year	(96.90)	(82.52)
Foreign currency translation reserve	(59.80)	8.14
Re-measurement loss on employee defined benefit plans, net of tax	(18.85)	(22.52)
Balance at the end of the year	**(175.55)**	**(96.90)**
	87,073.72	**79,422.52**

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.

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

16 Other equity (Contd.)

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 options outstanding reserve

The share options outstanding reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding reserve are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

Share application money

Money received as advance towards allotment of share capital is recorded as share application money pending allotment.

17 Dividends

	For the year ended March 31, 2024	For the year ended March 31, 2023
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on March 31, 2024: ₹ 20 per share (March 31,2023: ₹ Nil)	3,294.21	-
	3,294.21	**-**

The Board of Directors of the Company at its meeting held on May 22, 2024 has recommended a final dividend of ₹ 20 per equity share (face value of ₹ 1 each) which is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

18 Borrowings

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured				
Deferred sales tax loan	25.51	32.61	7.10	5.60
Bank overdraft	-	-	88.83	-
Term loans from banks	902.78	-	454.11	-
Factoring (refer note 42)	-	-	1,582.38	-
Others	137.11	-	-	-
	1,065.40	**32.61**	**2,132.42**	**5.60**

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.

Term loans have been taken from various banks with interest rates ranging from 1.10% to 5.25%, EURIBOR 3 months + 1.6%, EURIBOR 3 months + 2%, and IRS 8 years + 3%. These loans are repaid on a monthly and quarterly basis, with maturity periods ranging from 2024 to 2031.

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

19 Trade payables

	As at March 31, 2024	As at March 31, 2023
Valued at amortised cost		
Trade payables to related parties (refer note 38)	38.43	27.33
Trade payables to other parties	8,588.49	5,846.17
	8,626.92	**5,873.50**

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, 2024

	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	
Undisputed dues	4,917.65	2,725.86	327.98	217.17	438.26	8,626.92
Disputed dues	-	-	-	-	-	-
Total	**4,917.65**	**2,725.86**	**327.98**	**217.17**	**438.26**	**8,626.92**

As at March 31, 2023

	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	
Undisputed dues	2,947.88	2,897.64	17.82	8.59	1.57	5,873.50
Disputed dues	-	-	-	-	-	-
Total	**2,947.88**	**2,897.64**	**17.82**	**8.59**	**1.57**	**5,873.50**

20 Lease liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note 45)	346.79	4.83	177.05	1.49
	346.79	**4.83**	**177.05**	**1.49**

21 Other financial liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital creditors	-	-	85.10	154.93
Trade deposits payable	-	-	7.50	8.12
Refund liability	-	17.33	-	-
	-	**17.33**	**92.60**	**163.05**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

Breakup of financial liabilities

	As at March 31, 2024	As at March 31, 2023
Valued at amortised cost		
Non-current borrowings	1,065.40	32.61
Trade payables	8,626.92	5,873.50
Short-term borrowings (including current maturities of non-current borrowings)	2,132.42	5.60
Capital creditors	85.10	154.93
Trade deposits payable	7.50	8.12
Refund liability	-	17.33
Lease liabilities - Non-current	346.79	4.83
Lease liabilities - Current	177.05	1.49
Total financial liabilities	**12,441.18**	**6,098.41**

Changes in liabilities arising from financing activities:

	Borrowings		Lease liabilities	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	**38.21**	**39.33**	**6.32**	**8.10**
Additions	-	-	178.67	-
Additions through business combinations (refer note 51)	11,099.51	-	525.39	-
Deletions	-	-	(3.90)	-
Interest	197.24	-	20.66	0.61
Financing cash flows, net	(7,562.78)	(1.12)	(201.19)	(2.39)
Foreign currency translation adjustments	(574.36)	-	(2.11)	-
Closing Balance	**3,197.82**	**38.21**	**523.84**	**6.32**

22 Provisions

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits and others				
Provision for gratuity (refer note 36)	79.48	-	-	154.52
Provision for pension (refer note 36)	994.36	-	-	-
Provision for long service award	170.88	-	-	-
Provision for compensatory absences	127.40	-	389.78	158.66
Provision for customer claims	-	-	199.29	-
	1,372.12	**-**	**589.07**	**313.18**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

23 Deferred tax assets and liabilities

	As at March 31, 2024	As at March 31, 2023
Deferred tax liability relating to		
Property, plant and equipment and intangible assets	2,267.51	1,069.17
Interest accrued on inter corporate loan	16.50	-
	2,284.01	**1,069.17**
Offsetting of deferred tax assets with deferred tax liabilities	(82.78)	-
	2,201.23	**1,069.17**
Deferred tax asset relating to		
Provision for employee benefits	374.57	78.82
Allowance for credit losses	15.95	147.70
Leases	1.89	0.62
Tax loss carry forwards	193.66	-
Other temporary differences	1.08	-
	587.15	**227.14**
Offsetting of deferred tax assets with deferred tax liabilities	(82.78)	-
	504.37	**227.14**
Net deferred tax liabilities / (assets)	**1,696.86**	**842.03**

Deferred tax (assets)/ liabilities:

For the year ended March 31, 2024:

	Opening balance	Additions through business combinations (refer note 51)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Foreign currency translation adjustments	Closing balance
Property, plant and equipment and intangible assets	1,069.17	1,239.90	(35.63)	-	(5.93)	2,267.51
Interest accrued on inter corporate loans	-	-	16.38	-	0.12	16.50
Provision for employee benefits	(78.82)	(283.93)	(6.67)	(6.34)	1.19	(374.57)
Allowance for credit losses	(147.70)	-	131.75	-	-	(15.95)
Leases	(0.62)	-	(1.76)	-	0.49	(1.89)
Tax loss carry forwards	-	(183.23)	-	-	(10.43)	(193.66)
Other temporary differences	-	(51.81)	39.27	-	11.46	(1.08)
Deferred tax liabilities, net	**842.03**	**720.93**	**143.34**	**(6.34)**	**(3.10)**	**1,696.86**

For the year ended March 31, 2023:

	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive 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)
Deferred tax liabilities, net	**877.60**	**(27.99)**	**(7.58)**	**842.03**

Notes to the consolidated financial statements
for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

24 Current tax liabilities, net

	As at March 31, 2024	As at March 31, 2023
Income tax (net of advance tax and tax deducted at source)	516.37	9.85
	516.37	**9.85**

25 Other liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Statutory dues	-	-	991.52	128.46
Advances from customers*	-	-	516.33	760.42
Liability towards Corporate Social Responsibility	-	-	3.67	35.78
Unearned revenue	404.86	-	337.42	-
Others	-	-	0.26	-
	404.86	**-**	**1,849.20**	**924.66**

*Includes amounts received from related parties of ₹ Nil (March 31, 2023: ₹ 9.56) (refer note 38)

26 Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Revenue from contract with customers		
- Revenue from sale of goods	40,778.21	32,724.18
- Revenue from sale of services	15,639.11	3,194.41
(A)	**56,417.32**	**35,918.59**
B. Other operating income		
- Export incentives	229.90	162.12
- Compensation and Claims*	-	165.30
(B)	**229.90**	**327.42**
(A+B)	**56,647.22**	**36,246.01**

*Includes other operating income amounting to ₹ Nil (March 31, 2023: ₹ 165.30) related to settlement for a product pursuant to a confidential settlement agreement.

26A Revenue from contract with customers:

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers, excluding other operating income

	For the year ended March 31, 2024	For the year ended March 31, 2023
USA	26,878.10	20,909.52
Europe	10,528.02	1,705.95
India	5,649.81	5,386.22
Canada	890.27	794.90
Australia	626.45	218.24
New Zealand	28.17	10.86
Rest of World (ROW)	11,816.50	6,892.90
	56,417.32	**35,918.59**
Timing of revenue recognition		
Goods and services transferred		
- Over time	15,639.11	3,194.41
- At a point of time	40,778.21	32,724.18
	56,417.32	**35,918.59**

Notes to the consolidated financial statements
for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

26A Revenue from contract with customers: (Contd.)

Contract balances

	As at March 31, 2024	As at March 31, 2023
Trade receivables	15,586.90	8,713.94
Contract assets	895.17	872.59
Contract liabilities	1,258.61	760.42

Contract liabilities represents the Group'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.

Refund liabilities

	As at March 31, 2024	As at March 31, 2023
Arising from development agreements	-	17.33
	-	**17.33**

Refund liabilities are accounted when the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer. In development agreements where the Group'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 Group is at default or not.

Significant change in contract liabilities is explained as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	760.42	339.17
Revenue recognised during the year	(760.42)	(339.17)
Contract liabilities recognised during the year	1,258.61	760.42
Balance at the end of the year	**1,258.61**	**760.42**
Expected revenue recognition from remaining performance obligations		
- within one year	**1,258.61**	**760.42**

Significant change in refund liabilities is explained as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	17.33	17.33
Amount utilised during the year	-	-
Balance at the end of the year	**17.33**	**17.33**

27 Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on		
- Term deposits with banks and financial institutions	1,500.16	1,791.17
- Others	5.89	3.00
Foreign exchange gain, net	106.05	571.45
Gain on disposal of property, plant and equipment, net	2.49	-
Insurance claim	31.08	-
Gain on sale of investments	3.48	28.48
Miscellaneous income	53.20	10.53
	1,702.35	**2,404.63**

Notes to the consolidated financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

28 Cost of materials consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials and packing materials		
Inventory at the beginning of the year	13,539.92	6,436.75
Additions through business combination	1,313.09	-
Foreign currency translation adjustments	(5.25)	-
Purchases	14,618.05	24,270.68
	29,465.81	**30,707.43**
Inventory at the end of the year	(9,244.45)	(13,539.92)
	20,221.36	**17,167.51**

29 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year		
Finished goods	819.60	822.32
Work-in-progress	5,432.52	4,614.65
Stock-in-trade	46.61	64.36
	6,298.73	**5,501.33**
Additions through business combination		
Finished goods	764.36	-
Work-in-progress	1,321.20	-
	2,085.56	**-**
Inventories at the beginning of the year		
Finished goods	822.32	462.16
Work-in-progress	4,614.65	4,440.69
Stock-in-trade	64.36	129.31
	5,501.33	**5,032.16**
Net movement	**1,288.16**	**(469.17)**
Foreign currency translation adjustment	(9.31)	-
	1,278.85	**(469.17)**

30 Employee benefits expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	9,545.96	3,625.10
Contribution to provident and other funds	2,360.48	160.30
Gratuity expense (refer note 36)	81.18	66.98
Pension expense (refer note 36)	161.55	-
Long service award	22.58	-
Staff welfare expenses	397.18	180.23
	12,568.93	**4,032.61**

Notes to the consolidated financial statements

for the year ended March 31, 2024
(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

31 Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Stores consumed	581.92	478.92
Rent (refer note 45)	99.24	14.16
Repairs and maintenance:		
Plant and machinery	978.01	312.05
Buildings	167.15	140.80
Others	363.17	39.13
Rates and taxes	613.30	635.73
Quality control expenses	861.36	567.59
Research and development consumables	320.32	403.77
Legal and professional charges	943.26	364.46
Carriage outwards	190.78	197.07
Insurance	290.22	107.68
Printing and stationery	40.93	31.52
Travelling and conveyance	95.72	38.52
Selling and business promotion expenses	46.05	45.63
Sales commission	137.81	27.62
Postage and courier	2.48	-
Telephone expenses	11.53	-
Payment to auditors:		
Audit fees	74.64	12.40
Certifications fees and others	0.48	0.08
Out of pocket expenses	1.82	0.70
Allowance for credit losses	138.36	-
Bad debts written off, net	75.85	22.04
Other assets written off	-	63.32
Loss on disposal of property, plant and equipment, net	-	0.81
Corporate social responsibility expenditure	266.73	261.87
Miscellaneous expenses	415.64	97.26
	6,716.77	**3,863.13**

32 Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on debts and borrowings	126.30	-
Interest on lease liabilities (refer note 45)	20.66	0.61
Bank charges	44.10	11.60
Interest expense on others	70.94	62.26
	262.00	**74.47**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

33 Depreciation and amortisation expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	3,066.48	1,456.82
Depreciation on right-of-use assets (refer note 45)	192.30	1.80
Amortisation on intangible assets	186.88	8.74
	3,445.66	**1,467.36**

34 Tax expense

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are:

Profit or loss section

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	3,492.99	2,771.57
Deferred tax credit	143.34	(27.99)
Adjustment of current income tax relating to earlier years	(35.51)	(8.19)
Total income tax expense recognised in Statement of profit and loss	**3,600.82**	**2,735.39**

OCI Section

	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax credit on remeasurement of defined benefit plans	(6.34)	(7.58)
Income tax charged to OCI	**(6.34)**	**(7.58)**

(b) Reconciliation of effective tax rate:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	11,325.42	10,545.82
Enacted tax rate in India (B)	25.168%	25.168%
Expected tax expenses (C = A*B)	**2,850.38**	**2,654.17**
Tax effect of:		
Non-deductible expenses	104.50	97.21
Income not chargeable to tax	(48.93)	-
Tax losses for which no deferred tax asset is recognised	762.65	-
Adjustment for taxes with respect to earlier years	(35.51)	(8.19)
Impact on deferred tax in relation to taxes of earlier years	25.70	-
Effect of difference between Indian tax rate and foreign tax rate	(53.75)	-
Others, net	(4.22)	(7.80)
Total (D)	**750.44**	**81.22**
Expected tax expense (C+D)	3,600.82	2,735.39
Income tax expense	**3,600.82**	**2,735.39**
Effective tax rate	**31.79%**	**25.94%**

The Group 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.

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

35 Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to equity shareholders (₹)	7,724.60	7,810.43
Weighted average number of equity shares for Basic EPS	164,702,188	164,636,953
Dilutive effect of stock options outstanding	31,063	42,784
Weighted average number of equity shares in for Diluted EPS	164,733,251	164,679,737
Face value of each equity share (₹)	1.00	1.00
Basic EPS (₹)	46.90	47.44
Diluted EPS (₹)	46.89	47.43

36 Employee benefits

I Post-employment benefits plans

Gratuity 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.

Pension plans

For the subsidiary companies in France and Belgium, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognised for obligations arising from benefit plans for old age, invalidity, and surviving dependents' benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country and are usually based on the length of service and final salary of employees. The pension plan in France is unfunded, while the pension plan in Belgium is funded. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at March 31, 2024.

These defined benefit plans expose the Group to actuarial risk which are set out below:

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in government securities and debt instruments.

Interest rate risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summarises the status of the various defined benefit plan of the Group and the amount recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss:

Net employee benefit expense (recognised in Employee benefits expense)

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
Current service cost	69.88	85.93	35.92	191.73	60.11
Interest cost on net defined benefit liability	11.30	0.47	39.23	51.00	6.87
Net employee benefit expenses	**81.18**	**86.40**	**75.15**	**242.73**	**66.98**

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

36 Employee benefits (Contd.)

Amount recognised in the Balance Sheet

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
Defined benefit obligation	629.68	302.43	953.01	1,885.12	538.46
Fair value of plan assets	(550.20)	(261.08)	-	(811.28)	(383.94)
Net defined benefit liability	**79.48**	**41.35**	**953.01**	**1,073.84**	**154.52**

Changes in the present value of the defined benefit obligation

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
Opening defined benefit obligation	538.46	-	-	538.46	437.29
Liabilities assumed through business combinations	-	238.40	893.77	1,132.17	-
Current service cost	69.88	85.93	35.92	191.73	60.11
Interest cost	39.14	12.42	39.23	90.79	26.86
Plan participant contributions	-	12.97	-	12.97	-
Benefits paid	(45.61)	(30.09)	(23.53)	(99.23)	(20.26)
Curtailments	-	-	(9.83)	(9.83)	-
Net Actuarial loss/(gain) on obligation for the year recognised under OCI	27.81	(16.23)	21.25	32.83	34.46
Foreign currency translation adjustments	-	(0.97)	(3.80)	(4.77)	-
Closing defined benefit obligation	**629.68**	**302.43**	**953.01**	**1,885.12**	**538.46**

Change in the fair value of plan assets

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
Opening fair value of plan assets	383.94	-	-	383.94	325.63
Assets acquired through business combinations	-	196.32	-	196.32	-
Interest income	27.85	11.95	-	39.80	20.00
Contribution by employer	181.07	77.53	23.53	282.13	-
Plan participant contributions	-	12.97	-	12.97	54.21
Benefits paid	(45.61)	(30.09)	(23.53)	(99.23)	(20.26)
Return on plan assets (excluding interest income)	2.95	(6.81)	-	(3.86)	4.36
Foreign currency translation adjustments	-	(0.79)	-	(0.79)	-
Closing fair value of plan assets	**550.20**	**261.08**	**-**	**811.28**	**383.94**
Expected contribution in next year	145.97	90.93	35.28	272.18	215.67
Average duration of the defined benefit obligation at the end of reporting period, in years	5.00	20.80	10.95		5.00

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for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

36 Employee benefits (Contd.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended March 31, 2024			For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Gratuity plan India
Insurer managed fund	100%	100%	NA	100%

Re-measurement adjustments:

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
Experience loss/(gain)	29.81	(24.10)	0.84	6.55	14.14
Return on plan assets (excluding interest income)	(2.95)	6.81	-	3.86	(4.36)
Actuarial loss/(gain) arising from changes in financial assumptions	4.80	7.87	20.41	33.08	20.32
Actuarial loss/(gain) arising from changes in demographic assumptions	(6.80)	-	-	(6.80)	-
Re-measurement loss / (gain) recognised in other comprehensive income:	**24.86**	**(9.42)**	**21.25**	**36.69**	**30.10**

The principal assumptions used in determining Group's defined benefit plans are shown below:

	For the year ended March 31, 2024			For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Gratuity plan India
Discount rate	7.15%	3.65%	3.20%	7.30%
Salary rise	12.00%	3.60%	2.20%	12.00%
Attrition rate	20.00%	2.10%	2.00%	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 Group'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 Group'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.

Notes to the consolidated financial statements

for the year ended March 31, 2024

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36 Employee benefits (Contd.)

Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments:

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
1 year	110.72	-	35.28	146.00	104.51
2-5 years	391.80	17.41	104.50	513.71	315.96
6-10 years	243.84	60.20	557.95	861.99	215.02
>10 years	202.03	-	3,443.75	3,645.78	196.25

Sensitivity analysis:

A quantitative sensitivity analysis of significant assumptions is as shown below:

	For the year ended March 31, 2024				For the year ended March 31, 2023
	Gratuity plan India	Pension plan Belgium	Pension plan France	Total	Gratuity plan India
Effect of 1% change in assumed discount rate					
- 1% increase	600.50	285.77	852.52	1,738.79	512.57
- 1% decrease	661.62	313.65	1,053.63	2,028.90	566.43
Effect of 1% change in assumed salary growth rate					
- 1% increase	659.89	302.41	1,058.29	2,020.59	564.94
- 1% decrease	601.47	293.70	850.28	1,745.45	513.38
Effect of 50% change in assumed attrition rate					
- 50% increase	583.63	288.13	931.71	1,803.47	499.26
- 50% decrease	738.62	314.95	964.01	2,017.58	629.38

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds (refer note 30)	2,360.48	160.30

III Other long term employee benefits

Compensated absences

The Group 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 Group's policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded towards this benefit ₹. 517.18 (March 31, 2023: ₹. 158.66).

Long service award

Long service award benefits accrue to employees during their service and are payable upon completion of stipulated periods. These awards are specifically for employees of the Group's French subsidiaries. The Group records an obligation for long service award in the period in which the employee renders the services that increases this entitlement. The total liability recorded towards this benefit ₹ 170.88 (March 31, 2023: ₹ Nil).

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37 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

Movement during the year

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of shares	Weighted average exercise prices (WAEP)	No. of shares	Weighted average exercise prices (WAEP)
Outstanding as at beginning of year	57,400	-	455,500	-
Granted during the year	-	-	-	-
Exercised during the year	(9,700)	542.00	(398,100)	542.00
Lapsed during the year	-	-	-	-
Outstanding as at end of the year	**47,700**		**57,400**	
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 exercised during the year (₹)	-	290.19	-	288.73

The Black Scholes valuation model has been used for computing the fair value of options on the grant date considering the following inputs :

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.

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38 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 Controlling Company
Fosun Pharma Industrial Pte. Ltd., Singapore	Holding Company of Gland Pharma Limited
Subsidiary	
Gland Pharma International Pte. Ltd., Singapore	
Step-down subsidiaries	
Gland Pharma USA Inc., USA	
Phixen SAS, France(1)	
Cenexi SAS, France(2)	
Cenexi Services SAS, France(2)	
Cenexi HSC SAS, France(2)	
Cenexi 2 SASU, France(2)	
Cenexi 3 SASU, France(2)	
Cenexi Laboratories Thissen SA, Belgium(2)	
Phineximmo SA, Belgium(2)	
Manxen SAS, France(1)	
Manxen 2 SAS, France(1)	
Manxen 3 SAS, France(1)	
Fellow subsidiaries#	
Aton (Shanghai) Biotech Co., Ltd., China	
Avanc Pharma Distribution Co., Ltd., China	
Chongqing Carelife Pharmaceutical Co., Ltd., China	
Fosun Pharma USA Inc., USA	
Jiangsu Wanbang Helios International Trade Co. Ltd., China	
Shanghai Henlius Biotech Inc., China	
Suzhou Erye Pharmaceutical Co. Ltd., China	
Tridem Pharma SAS, France	
Tridem Pharma Tanzania Limited, Tanzania	
Wanbang Biopharmaceutical Company Limited, China	
Key Management Personnel#	
Srinivas Sadu	Managing Director and Chief Executive Officer
Ravi Shekhar Mitra	Chief Financial Officer and Non-Executive Director at Gland Pharma International Pte Ltd.
Satyanarayana Murthy Chavali	Independent Director
Yiu Kwan Stanley Lau	Chairman and Independent Director
P. Sampath Kumar	Company Secretary
Udo J. Vetter	Independent Director
Essaji Goolam Vahanvati	Independent Director
Nainalal Kidwai	Independent Director

*Fosun International Holdings Limited is the ultimate holding company of Shanghai Fosun Pharmaceutical (Group) Co., Ltd, China

(1)Acquired by Gland Pharma International Pte Ltd., with effect from April 27, 2023. Refer to note 51 for details.

(2)Subsidiary of Phixen SAS.

#Parties with whom transactions are entered

Notes to the consolidated financial statements

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38 Related party disclosures (Contd.)

Transactions during the year:

	Nature	For the year ended March 31, 2024	For the year ended March 31, 2023
Ultimate Controlling Company			
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Purchase of service	7.82	50.53
Fellow subsidiaries			
Avanc Pharma Distribution Co., Ltd.	Sale of goods	7.04	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Reimbursement of expense	8.70	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Purchase of raw material	96.11	-
Fosun Pharma USA Inc.	Sale of goods	3,343.61	2,091.49
Fosun Pharma USA Inc.	Sale of service	0.34	161.45
Fosun Pharma USA Inc.	Reimbursement of expense	99.73	81.03
Suzhou Erye Pharmaceutical Co. Ltd.	Purchase of raw material	-	93.42
Tridem Pharma SAS	Sale of goods	15.85	36.05
Tridem Pharma Tanzania Limited	Sale of goods	10.70	-
Wanbang Biopharmaceutical Company Limited	Purchase of raw material	158.00	1,498.26
Wanbang Biopharmaceutical Company Limited	Reimbursement of expense	8.70	-
Jiangsu Wanbang Helios International Trade Co. Ltd.	Sale of goods	-	16.66
Jiangsu Wanbang Helios International Trade Co. Ltd.	Reimbursement of expense	0.16	-
Shanghai Henlius Biotech Inc.	Reimbursement of expense	2.18	-
Aton (Shanghai) Biotech Co., Ltd	Reimbursement of expense	2.18	-
Key Management Personnel^			
Managing Director & CEO, Chief Financial Officer and Company Secretary	Remuneration, Salaries and other employee benefits	94.60	94.48
Non-executive / Independent directors	Commission and other benefits	27.07	26.97

Closing balances receivable/(payable) (Unsecured):

	Nature	As at March 31, 2024	As at March 31, 2023
Fosun Pharma USA Inc.	Trade receivables and other assets	805.37	674.66
Fosun Pharma USA Inc.	Other current liabilities	-	(9.56)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Trade payables	(11.65)	(4.53)
Tridem Pharma SAS	Trade receivables	-	5.18
Jiangsu Wanbang Helios International Trade Co. Ltd.	Trade payables	-	(0.03)
Tridem Pharma Tanzania Limited	Trade receivables	5.35	-
Shanghai Henlius Biotech Inc.	Trade receivables	2.17	-
Aton (Shanghai) Biotech Co., Ltd	Trade receivables	2.17	-
Wanbang Biopharmaceutical Company Limited	Trade receivables	8.70	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Trade receivables	8.70	-
Payable to Key Management Personnel^	Trade payables	(26.78)	(22.81)

^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.

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.

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39 Key accounting estimates and judgements

The preparation of the Group'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.

Critical accounting 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:

(i) Defined benefit obligation

The cost of defined benefit gratuity plan, pension plan and the present value of the defined benefit 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 36.

(ii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates derived from the useful lives and residual values of all its property, plant and equipment as estimated by the management. The management believes that current depreciation rates fairly reflect their estimates of the useful lives and residual values of property, plant and equipment. The useful lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.

(iii) 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 Group makes an estimate of future selling prices and costs necessary to make the sale.

(iv) 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.

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40 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost:				
Term deposits, interest accrued thereon and others	9,078.47	656.60	9,078.47	656.60
Trade receivables	15,586.90	8,713.94	15,586.90	8,713.94
Cash and cash equivalents	3,570.88	19,088.95	3,570.88	19,088.95
Bank balances other than 'Cash and cash equivalents'	14,823.44	18,617.80	14,823.44	18,617.80
Financial liabilities at amortised cost:				
Borrowings (including current maturities)	3,197.82	38.21	3,197.82	38.21
Trade payables	8,626.92	5,873.50	8,626.92	5,873.50
Lease liabilities	523.84	6.32	523.84	6.32
Other financial liabilities	92.60	180.38	92.60	180.38

The management assessed that cash and cash equivalents, other bank balances, trade receivables, loans, borrowings, trade payables, leases 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.

41 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. 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.

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

41 Financial risk management objectives and policies (Contd.)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in statement of profit and loss.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 15,586.90 and 8,713.94 as of March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of balances with trade receivables. The Group has 2 customers (March 31, 2023: Nil) comprising 25.10% (March 31, 2023: Nil) of the trade receivables.

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 Group 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 Group's financial liabilities based on contractual undiscounted payments:

	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2024:					
Borrowings (including current maturities)	2,132.42	1,065.40	-	-	3,197.82
Trade payables	8,626.92	-	-	-	8,626.92
Lease liabilities	175.12	346.19	-	-	521.31
Other financial liabilities	92.60	-	-	-	92.60
	11,027.06	**1,411.59**	**-**	**-**	**12,438.65**

	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2023:					
Borrowings (including current maturities)	5.60	21.59	11.02	-	38.21
Trade payables	5,873.50	-	-	-	5,873.50
Lease liabilities	2.71	3.74	-	-	6.45
Other financial liabilities	180.38	-	-	-	180.38
	6,062.19	**25.33**	**11.02**	**-**	**6,098.54**

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. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Out of total Borrowings, ₹ 247.96 (March 31, 2023: Nil) are at variable interest rate.

If the average rate of interest had increased/decreased by 1%, all other variables remaining constant, the Group's profit before tax would have been higher/lower by ₹ 2.48, (March 31, 2023: Nil).

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

41 Financial risk management objectives and policies (Contd.)

C2. 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.

(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 -

	Currency	As at March 31, 2024			As at March 31, 2023		
		Amount in Foreign Currency	Amount in ₹	Conversion Rate	Amount in Foreign Currency	Amount in ₹	Conversion Rate
Cash and cash equivalent	USD	11.76	980.95	83.40	64.02	5,261.34	82.18
	EURO	25.40	2,282.86	89.87	0.42	37.57	89.47
	SGD	0.01	0.53	61.74	-	-	-
Trade receivables	USD	126.16	10,522.39	83.40	80.78	6,638.82	82.18
	EURO	0.28	25.61	89.87	0.23	20.53	89.47
	AUD	0.34	18.13	54.11	0.36	19.69	55.03
	CAD	0.86	52.90	61.55	0.74	44.85	60.67
	AED	-	-	-	4.81	107.71	22.37
Other receivables	EURO	20.77	1,866.79	89.87	-	-	-
Trade payables	USD	16.68	1,391.48	83.40	38.63	3,175.01	82.18
	EURO	1.96	175.99	89.87	2.87	256.47	89.47
	GBP	0.01	1.39	105.21	0.00	0.10	101.64
	SGD	0.07	3.01	45.78	-	-	-
Capital creditors	USD	0.06	4.94	83.40	0.43	35.46	82.18
	EURO	0.32	28.56	89.87	0.35	31.08	89.47

(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.

	Change in exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase/(Decrease)	
March 31, 2024				
USD	1.00%	1.00%	101.06	(101.06)
EURO	1.00%	1.00%	39.71	(39.71)
March 31, 2023				
USD	1.00%	1.00%	86.89	(86.89)
EURO	1.00%	1.00%	(2.29)	2.29

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

42 Transfer of financial assets

The Group transfers certain trade receivables under the debt factoring arrangements. These do not qualify for derecognition, due to existence of the recourse arrangement. Consequently the proceeds received from such transfers with a recourse arrangements are recorded as loans from banks / financial institutions and classified under short-term borrowings

The carrying amount of trade receivables and finance receivables transferred along with the associated liabilities is as follows

Nature of Asset	As at March 31, 2024		As at March 31, 2023	
	Carrying amount of asset transferred	Carrying amount of associated liabilities	Carrying amount of asset transferred	Carrying amount of associated liabilities
Trade receivables	2,145.25	1,582.38	-	-

43 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 of the Group and combination of both long-term and short-term borrowings. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise the shareholder value.

The Group determines the capital requirement based on annual operating plans, long-term and other strategic investment plans. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. There have been no breaches in the financial covenant of any borrowing.

Gearing ratio

	As at March 31, 2024	As at March 31, 2023
Borrowings	3,197.82	38.21
Less: Cash and cash equivalents	(3,570.88)	(19,088.95)
Net debt	**(373.06)**	**(19,050.74)**
Equity share capital	164.71	164.70
Other equity	87,073.72	79,422.52
Total equity	**87,238.43**	**79,587.22**
Total equity and net debt	**86,865.37**	**60,536.48**
Gearing ratio	**(0.00)**	**(0.31)**

Notes to the consolidated financial statements

for the year ended March 31, 2024

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44 Commitments and contingencies

a. Commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	851.49	1,063.86

b. Contingent liabilities

		As at March 31, 2024	As at March 31, 2023
(i)	Outstanding bank guarantees (excluding performance obligations)	-	98.21
(ii)	Claims against the Group not acknowledged as debts	60.44	31.78
(iii)	Demand for direct taxes	21.81	17.25
(iv)	Demand for indirect taxes		
	Entry tax	47.01	46.95
	Service tax	8.50	8.50
	Value Added Tax and CST	5.30	5.30
	GST	12.75	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.

(vi) The Company's step down subsidiary, Cenexi Laboratories Thissen SA based in Belgium, is engaged in a dispute with a partner regarding alleged breaches of cooperation agreements signed in 2016 and 2021. Both parties have presented certain monetary claims and counterclaims. At present, the claims made by the parties is unsubstantiated and both parties are making efforts to resolve the dispute. As the matter is still ongoing at dispute resolution stage (mediation), the Group cannot reliably estimate the financial impact, if any at this stage.

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 Group. 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 Group'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, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

45 Leases

Group 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.

For movement of ROU assets, refer note 4

For movement of lease liabilities, refer note 21

For maturity analysis of lease liabilities, refer note 41B

The following are the amounts recognised in statement of profit and loss:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on right-of-use assets	192.30	1.80
Interest expense on lease liabilities	20.66	0.61
Expense relating to short-term leases (included in other expenses)	99.24	14.16
Total amount recognised in statement of profit and loss	**312.20**	**16.57**

The Group has total cash outflow for leases of ₹ 201.19 and ₹ 2.39 for the year ended March 31, 2024 and March 31, 2023 respectively.

46 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.

(a) Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
USA	26,878.10	20,909.52
India	5,879.71	5,548.34
Europe	10,528.02	1,871.25
Canada	890.27	794.90
Australia	626.45	218.24
New Zealand	28.17	10.86
Rest of World (ROW)	11,816.50	6,892.90
	56,647.22	**36,246.01**

(b) Segment non-current assets

Geographical non-current assets, (property, plant and equipment, right of use assets, capital work-in-progress, goodwill, intangible assets, intangible assets under development and other non-current assets) are allocated based on location of assets:

	For the year ended March 31, 2024	For the year ended March 31, 2023
India	19,006.22	-
Europe	23,759.47	-
Singapore	56.81	-
	42,822.50	**-**

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46 Segment reporting (Contd.)

(c) Customer contributing more than 10% of Revenue

	No of customers	Amount
For the year ended March 31, 2024	1	7,055.30
For the year ended March 31, 2023	1	5,480.12

47 Research and development

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue expenditure (including depreciation)	1,629.40	1,845.29
Capital expenditure	144.35	168.59
	1,773.75	**2,013.88**

48 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for change (+/- 25 %)
Current Ratio	Current assets	Current liabilities	4.04	9.46	-57%	Refer note[7]
Debt- Equity Ratio	Total Debt[1]	Total Equity	0.04	0.00	100%	Refer note[7]
Debt service Coverage Ratio	Earnings for debt service[2]	Debt service[3]	1.36	141.06	-99%	Refer note[7]
Return on Equity (ROE)	Profit for the year	Average Total Equity	9%	11%	-18%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.41	1.53	58%	Refer note[7]
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade receivable	4.66	3.72	25%	Refer note[7]
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade payables	5.98	4.57	31%	Refer note[7]
Net Capital Turnover Ratio	Revenue from operations	Working capital[4]	1.33	0.59	125%	Refer note[7]
Net Profit Ratio	Profit for the year	Revenue from operations	14%	22%	-36%	Refer note[7]
Return on Capital Employed (ROCE)	EBIT[5]- taxes	Average capital employed[6]	9%	11%	-18%	
Return on Investment (ROI)						
-Unquoted - mutual funds	Income generated from investments	Time weighted average investments	5.79%	3.32%	74%	Refer note[8]
-Unquoted - Others	Income generated from investments	Time weighted average investments	7.55%	5.54%	36%	Refer note[9]

[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 Profit before interest, exceptional items and taxes

[6]Capital employed represents Total Assets – Current liabilities

[7]Ratios of current year are not comparable due to acquisition of Phixen SAS

[8]Improvement in yields in current year

[9]Increase in interest rates

Notes to the consolidated financial statements

for the year ended March 31, 2024

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49 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies of beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The details of funds invested in intermediaries and further invested or loaned by intermediaries:

Name of the intermediary	Registered address	Corporate Identification Number	Relationship with the Company	Nature of transaction	Date	Amount* (in EUR million)	Amount* (in ₹ million)
Gland Pharma International Pte Ltd.	50 Raffles Place, Level 30, Singapore Land Tower, Singapore, 048623	202108434D	Wholly-owned subsidiary	Investment in equity shares	April 25, 2023	208.71	18,831.31
					November 6, 2023	25.14	2,229.85
					March 15, 2024	5.01	453.38
						238.86	**21,514.54**

*During the year ended March 31, 2024, the Company has invested in equity shares in Gland Pharma International Pte Ltd.

- For acquisition of Phixen SAS, France
- To provide loan to Phixen SAS, France and 3 other companies ("Manxen Companies") holding shares of Phixen SAS, France

The details of date and amount of fund further invested by intermediary to ultimate beneficiaries during the year ended March 31, 2024 are as follows :

Name of the ultimate beneficiaries	Registered address	Corporate Identification Number	Relationship with the Company	Nature of transaction	Date	Amount (in EUR million)	Amount (in ₹ million)
Phixen SAS	52, Rue Marcel et Jacques Gaucher – 94120 Fontenay-sous-Bois, France	812 077 774	Step down subsidiary	Investment in equity shares	April 27, 2023	114.26	10,313.19
				Inter-corporate loan given	April 27, 2023	79.38	7,164.75
					April 28, 2023	5.14	461.49
					May 15, 2023	5.00	448.87
					September 4, 2023	3.00	269.32
					October 6, 2023	2.00	179.54
					November 9, 2023	4.00	354.76
					November 17, 2023	3.00	266.07
					November 23, 2023	5.00	443.45
					November 30, 2023	3.00	266.07
					January 19, 2024	2.00	177.38
					February 9, 2024	5.00	443.45
					March 1, 2024	3.00	266.07
					March 18, 2024	5.00	452.97
Manxen SAS		812 269 496	Step down subsidiary	Inter-corporate loan given	April 27, 2023	0.07	6.38
Manxen 2 SAS		812 855 195	Step down subsidiary	Inter-corporate loan given	April 27, 2023	0.01	0.70
Manxen 3 SAS		830 453 619	Step down subsidiary	Inter-corporate loan given	April 27, 2023	0.00^	0.09
						238.86	**21,514.54**

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49 Other Statutory Information (Contd.)

^Amounting to 1,000 Euros

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

(vi) 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:

(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 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.

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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50 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, 2024				For the year ended March 31, 2024			
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
PARENT COMPANY								
Gland Pharma Limited	103%	89,952.89	135%	10,433.25	24%	(18.60)	136%	10,414.65
SUBSIDIARIES								
Foreign subsidiaries								
Gland Pharma International Pte. Ltd.	28%	24,278.40	5%	373.57	0%	-	5%	373.57
Gland Pharma USA Inc.	0%	42.23	0%	1.13	0%	-	0%	1.13
Phixen SAS	13%	11,716.77	-4%	(336.64)	0%	0.05	-4%	(336.59)
Cenexi SAS	-6%	(4,819.91)	-20%	(1,541.65)	0%	(0.24)	-20%	(1,541.89)
Cenexi Services SAS	0%	(309.31)	0%	24.16	0%	0.01	0%	24.17
Cenexi HSC SAS	-1%	(768.55)	-15%	(1,192.79)	0%	(0.07)	-16%	(1,192.86)
Cenexi 2 SASU	0%	(2.56)	0%	(0.03)	0%	-	0%	(0.03)
Cenexi 3 SASU	0%	(2.39)	0%	(0.03)	0%	-	0%	(0.03)
Cenexi Laboratories Thissen SA	2%	1,654.18	4%	298.20	-1%	0.50	4%	298.70
Phineximmo SA	0%	61.24	0%	19.99	0%	-	0%	19.99
Manxen SAS	1%	590.98	0%	0.91	0%	-	0%	0.91
Manxen 2 SAS	0%	41.99	0%	0.60	0%	-	0%	0.60
Manxen 3 SAS	0%	10.95	0%	0.64	0%	-	0%	0.64
Sub total	**140%**	**122,446.91**	**105%**	**8,081.31**	**23%**	**(18.35)**	**105%**	**8,062.96**
Adjustment arising out of consolidation	-40%	(35,208.48)	-5%	(356.71)	77%	(60.30)	-5%	(417.01)
	100%	**87,238.43**	**100%**	**7,724.60**	**100%**	**(78.65)**	**100%**	**7,645.95**
Non-controlling interests	0%	-	0%	-	0%	-	0%	-
Total	**100%**	**87,238.43**	**100%**	**7,724.60**	**100%**	**(78.65)**	**100%**	**7,645.95**

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.

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50 Description of the Group (Contd.)

Name of the entity	For the year ended March 31, 2023				For the year ended March 31, 2023			
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
PARENT COMPANY								
Gland Pharma Limited	100%	79,532.98	99%	7,758.26	157%	(22.52)	99%	7,735.74
SUBSIDIARIES								
Foreign subsidiaries								
Gland Pharma International Pte. Ltd.	0%	129.03	1%	52.79	0%	-	1%	52.79
Gland Pharma USA Inc.	0%	40.47	0%	(0.62)	0%	-	0%	(0.62)
Sub total	**100%**	**79,702.48**	**100%**	**7,810.43**	**157%**	**(22.52)**	**100%**	**7,787.91**
Adjustment arising out of consolidation	0%	(115.26)	0%	-	-57%	8.14	0%	8.14
	100%	**79,587.22**	**100%**	**7,810.43**	**100%**	**(14.38)**	**100%**	**7,796.05**
Non-controlling interests	0%	-	0%	-	0%	-	0%	-
Total	**100%**	**79,587.22**	**100%**	**7,810.43**	**100%**	**(14.38)**	**100%**	**7,796.05**

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.

51 Business combinations

Pursuant to the Share Purchase Agreement ('SPA') dated January 6, 2023, the Company through its wholly owned subsidiary, Gland Pharma International Pte. Ltd., Singapore ('Gland Singapore') acquired 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as ''Cenexi") and 3 other companies ("Manxen Companies") holding shares of Phixen SAS, France for an amount of EUR 114.26 million and refinanced the outstanding existing loan of EUR 79.46 million.

Accordingly, the Manxen Companies and Phixen SAS, France along with its subsidiaries became wholly-owned step-down subsidiaries of the Company with effect from April 27, 2023 (Completion Date), upon satisfaction of customary closing conditions and receipt of the necessary regulatory approvals and has been consolidated with effect from that date. 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.

The acquisition aligns with the strategic goal to expand CDMO offerings and establish a European manufacturing presence in sterile injectables, accessing advanced development capabilities and innovative technologies.

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(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

51 Business combinations (Contd.)

The fair value of net assets acquired on the acquisition date amounted to ₹ 7,880.14 million (EUR 87.30 million). The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill. The goodwill amounting to ₹ 2,433.05 million (EUR 26.96 million) is attributable to the workforce and the acquired business. Goodwill arising on the acquisition is not deductible for tax purposes. The intangible assets are amortised over a period of 3-5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. Refer table below for summary of net assets acquired.

Transaction costs incurred by the Group in connection with the business combination, such as legal fees, due diligence fees, insurance charges, and other professional and consulting fees, are expensed as incurred. However, payments made to warranty and indemnity (W&I) insurance are accounted for as prepaid expenses and expensed over the insurance coverage period. The transaction costs of ₹ 155.40 (March 31, 2023: ₹ 62.60) related to the acquisition have been included under other expenses and prepaid expenses.

Summary of assets acquired and liabilities assumed:

	Amount (in EUR million)	Amount (in ₹ million)
Assets acquired:		
Property, plant and equipment	211.54	19,094.30
Capital work-in-progress	7.49	675.92
Right-of-use assets	5.82	525.39
Intangible Assets	12.34	1,114.07
Indemnification Asset	1.46	131.78
Cash and cash equivalents	1.06	95.63
Inventories	41.84	3,776.20
Trade Receivables	42.21	3,809.68
Other assets	11.98	1,081.21
Liabilities assumed:		
Borrowings	(122.97)	(11,099.51)
Trade Payables	(75.05)	(6,774.21)
Deferred tax liabilities, net	(7.99)	(720.93)
Contingent liability	(1.00)	(90.26)
Other liabilities	(41.43)	(3,739.13)
Net assets	**87.30**	**7,880.14**
Goodwill	26.96	2,433.05
Total purchase price	**114.26**	**10,313.19**

52 Events after the reporting period

(i) The Board of directors have proposed dividend after the balance sheet date which is subject to approval by the shareholders at the annual general meeting. Refer note 17 for details.

(ii) With effect from April 26, 2024, Cenexi 2 SASU and Cenexi 3 SASU were merged with Phixen SAS. This merger is part of the Group's ongoing efforts to streamline its subsidiary structure. There were no significant operations in the companies that were merged.

Notes to the consolidated financial statements

for the year ended March 31, 2024

(All amounts in Indian Rupees millions, except share data and unless stated otherwise)

53 Exceptional item

In the previous year, one of the customers of the Company had an outstanding balance of ₹ 564.61 million. Based on the customer's filing for voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas, on a prudent basis, a provision for credit-impaired financial assets was recorded during the year ended March 31, 2023, which being a one-off instance in the Company's historical collection trend of financial assets was disclosed as an exceptional item in the consolidated financial statements.

54 The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by M/s S. R. Batliboi & Associates LLP, Chartered Accountants, the predecessor auditor, who expressed an unmodified opinion vide their report dated May 18, 2023.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration Number : 008072S

Monisha Parikh
Partner
Membership No. 047840

Place: Hyderabad
Date: May 22, 2024

for and on behalf of the Board of Directors
Gland Pharma Limited

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 22, 2024

Notes

Corporate Information

Company Secretary and Compliance Officer

Sampath Kumar Pallerlamudi

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants

Registered Office

Survey No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal Medchal-Malkajgiri District, Hyderabad - 500 043, Telangana, India
Tel: +91-40-30510999
Fax: +91-40-30510800

Corporate Office

Plot No. 11 & 84, TSIIC Phase: IV Pashamylaram (V), Patancheru (M), Sangareddy District
Hyderabad 502 307, 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
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For Institutional Investors & Financial Analysts

Ankit Gupta
Head – Investments, Strategy & Investor Relations
Tel: +91 8455699999 Ext 1431
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Corporate Identification Number

L24239TG1978PLC002276

Registrar and Transfer Agent

Link Intime India Private Limited,
C 101, 247 Park, L.B.S.Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: 022 - 49186000 (Board line No.)
022 - 49186270 (for Investors)
Fax No: 022 - 49186060
E-mail: akanksha.bansode@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

1. Sy. No. 143-148, 150 & 151
   D.P. Pally, Dundigal (Post)
   Hyderabad – 500 043.
   Telangana, India
2. Unit-I, Plot No.54, 55 & 64 – 68, Phase – III, Industrial Park, Pashamylaram (V),Patancheru (M), Sangareddy District, Hyderabad – 502 307
   Telangana, India
3. Unit-II, Plot No.42-52, Phase – III Industrial Park, Pashamylaram (V) Patancheru (M), Sangareddy District
   Hyderabad – 502 307
   Telangana, India
4. Unit II, Block C, Phase I
   Visakhapatnam Special Economic Zone, Duvvada,
   Visakhapatnam - 530 046
   Andhra Pradesh, India
5. 52 Rue Marcel et Jacques Gaucher, 94120 Fontenay-sous-Bois, France
6. 2 Rue Louis Pasteur 14200, Herouville Saint Clair, France
7. 17 Rue Pontoise, 95520 Osny, France
8. Rue de la Papyrée 2-6, 1420 Braine-l'Alleud, Belgium

API Facilities

1. Plot No.9, Sy No.542(P), Genome Valley,
   Kolthur Village, Shamirpet Mandal,
   Medchal District,
   Hyderabad - 500 078
   Telangana, India
2. Unit I, Block C, Phase I,
   Visakhapatnam Special Economic Zone, Duvvada,
   Visakhapatnam - 530 046
   Andhra Pradesh, India
3. Plot No.49 & 50 Jawaharlal Nehru Pharmacity, Parawada (M),
   Visakhapatnam - 531 019
   Andhra Pradesh, India

Major Subsidiaries

1. Gland Pharma International Pte. Ltd.
   8 Cross Street, #24-03/04
   Manulife Tower Singapore (048424)
2. Gland Pharma USA Inc.
   208 West State Street Trenton,
   New Jersey 08608-1002
   United States of America
3. Phixen SAS and its subsidiaries ('Cenexi Group')
   52, rue Marcel et Jacques Gaucher,
   94120 Fontenay-sous-Bois, France

GLAND PHARMA LIMITED

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NEXT ST-PS (engage@nextsteps.net.in)