Date: July 16, 2025

To,
National Stock Exchange of India Limited &
BSE Limited.
Scrip Code: NSE- GRANULES; BSE-532482.

Sub: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Submission of Annual Report for the FY 2024-25.

Dear Sir/Mam,
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We are submitting herewith the soft copy of the Integrated Annual Report of the Company for the financial year 2024-25 along with Notice of the 34th Annual General Meeting of the Company scheduled on Thursday, August 07, 2025 at 11.30 a.m. (IST) to be held through Video Conferencing ("VC").

The aforementioned documents are available on the Company's website at https://granulesindia.com/. They are being sent to all members of the Company whose email IDs are registered with the Company or the Depositories. In addition, pursuant to Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter is also being sent to the members whose email addresses are not registered, providing the web-link where the Integrated Annual Report is uploaded on the website.

We request you take the above information on record.

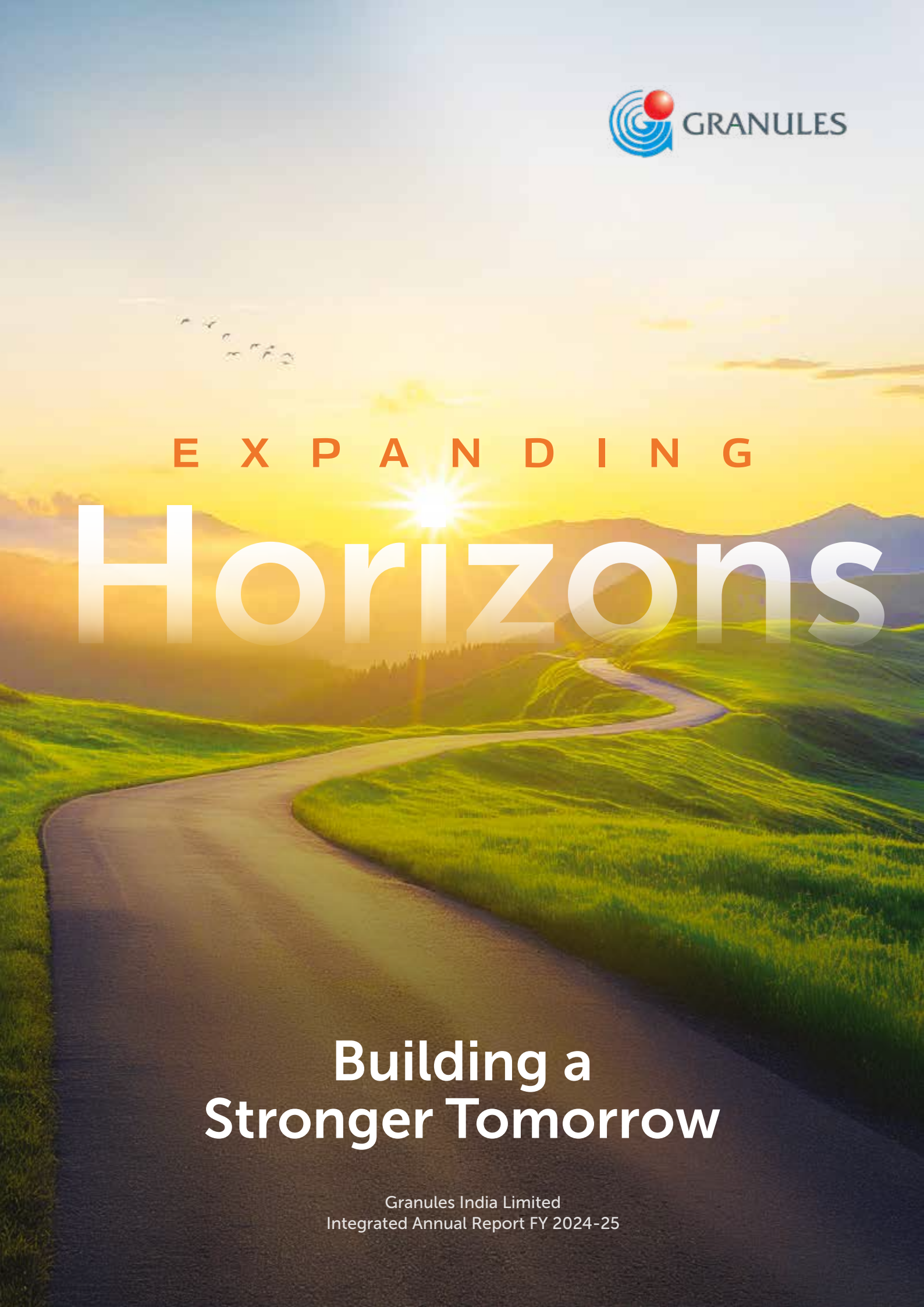
Thanking You.
For GRANULES INDIA LIMITED

CHAITANYA TUMMALA
Digitally signed by CHAITANYA TUMMALA
Date: 2025.07.16 17:56:43 +05'30'

CHAITANYA TUMMALA
(COMPANY SECRETARY & COMPLIANCE OFFICER)
Encl: As above

REGISTERED OFFICE

Granules India Limited
CIN: L24110TG1991PLC012471
15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India
Contact Us: Tel: +91 40 69043500 I Fax: +91-40-23115145 I mail@granulesindia.com
www.granulesindia.com


GRANULES
EXPANDING
Horizons
Building a
Stronger Tomorrow
Granules India Limited
Integrated Annual Report FY 2024-25

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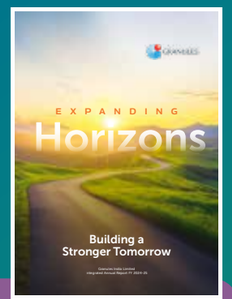
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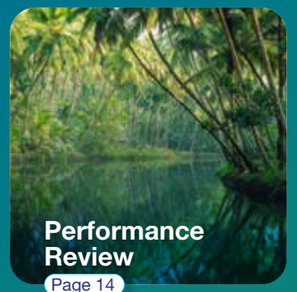
This year's Integrated Annual Report, titled "Expanding Horizons. Building a Stronger Tomorrow," reflects Granules India's journey of transformation marked by a sharpened focus on compliance, innovation, and global relevance.

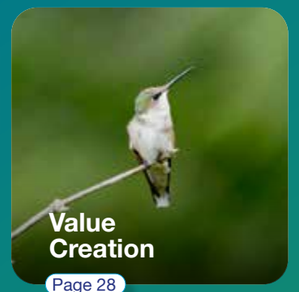
FY 2024–25 was a defining year as we laid the groundwork for long-term value creation through strategic investments in capacity, complex generics, and next-generation therapies. The report captures our evolution into a more science-led, resilient, and sustainable organization, with progress on several fronts:

- Expansion of large-scale formulation manufacturing at the Genome Valley facility.
- Deeper focus on high-barrier, early-to-market opportunities in CNS, oncology, and metabolic disorders.
- Our foray into peptides through the acquisition of Senn Chemicals and the launch of Ascelis Peptides.

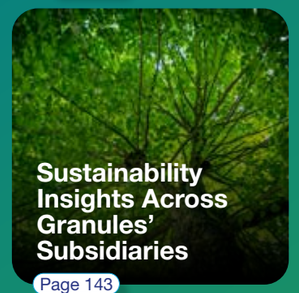
Continued strengthening of ESG performance, including SBTi-validated Net Zero targets and global recognitions.

Through the pages of this report, we reaffirm our commitment to delivering high-quality, affordable medicines at Scale while positioning Granules for the future of global healthcare.









About the Report

We are pleased to present the Integrated Annual Report of Granules India Limited for FY 2024–25. This Report provides a comprehensive overview of how we continue to drive value creation across our pharmaceutical value chain, while advancing sustainable, ethical and responsible growth. The Report reflects our continued commitment to transparency, governance and resilience in an evolving global environment.

Our Reporting Framework

This Report has been prepared in accordance with the guiding principles of the International Integrated Reporting Framework (<IR>) developed by the International Integrated Reporting Council (IIRC). It explains how sustainability and operational excellence are embedded in our business model to create long-term value for all stakeholders. The statutory disclosures align with applicable regulatory and financial reporting requirements, including:

The Companies Act, 2013

Indian Accounting Standards (Ind AS)

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Secretarial Standards issued by ICSI

Forward-looking Statements

This Report contains certain forward-looking statements regarding Granules India's future performance, strategy and outlook. Words such as 'expects', 'intends', 'plans', 'believes', 'may', 'will', and other similar expressions are used to denote such statements. These are based on present assumptions and involve risks and uncertainties. Actual results may differ materially.

Reporting period, frequency

This Integrated Report covers the reporting period of FY 2024–25 and is published on an annual basis, in alignment with the company's financial reporting cycle.

All disclosures in this report have been made in accordance with the GRI Standards and UNGC principles, and are aligned with the company's financial reporting cycle.

The previous report, covering FY 2023–24, marked Granules India Limited's first sustainability report aligned with the GRI Standards. There were no significant restatements of information from prior reporting periods. However, updates and refinements were incorporated to enhance data quality, consistency, and completeness.

Reporting Scope and Boundary

This Report covers the operations of Granules India Limited, including its domestic and international manufacturing facilities, R&D centres, and marketing offices. Information pertaining to subsidiaries and joint ventures is included wherever relevant. Any exceptions or exclusions are clearly stated in the respective sections.

Our Six Capitals

We follow a multi-capital approach aligned with the IIRC framework. These six capitals form the foundation of our integrated thinking and value creation strategy

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

Reporting Standards and Frameworks

GRI · SASB · SUSTAINABLE DEVELOPMENT GOALS · TCFD · United Nations Global Compact

This Report adheres to the Global Reporting Initiative (GRI) 2021 standards and aligns with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

The GRI Framework provides a comprehensive structure for disclosing our sustainability performance, enhancing the Report's global relevance. Integrating TCFD elements, especially in the risk assessment section, underscores Granules' commitment to achieving net zero emissions by 2050, with climate action being a strategic priority.

We have mapped our initiatives to the United Nations Sustainable Development Goals (UNSDGs) and are proud signatories of the United Nations Global Compact (UNGC). We also follow the Sustainability Accounting Standards Board (SASB) guidelines for Biotechnology & Pharmaceuticals, ensuring industry-specific disclosures. These frameworks support our broader sustainability strategy and demonstrate our commitment to tackling pressing global challenges.

External Assurance

This Integrated Report has undergone external assurance for FY 24–25. The assurance was conducted by Bureau Veritas (India) Pvt. Ltd for the full fiscal year, and We verified the reliability and accuracy of our data following GRI guidelines, using specific assumptions and methodologies outlined in the Report. The GRI has also been notified regarding the application of its standards in preparing this Report.

Feedback

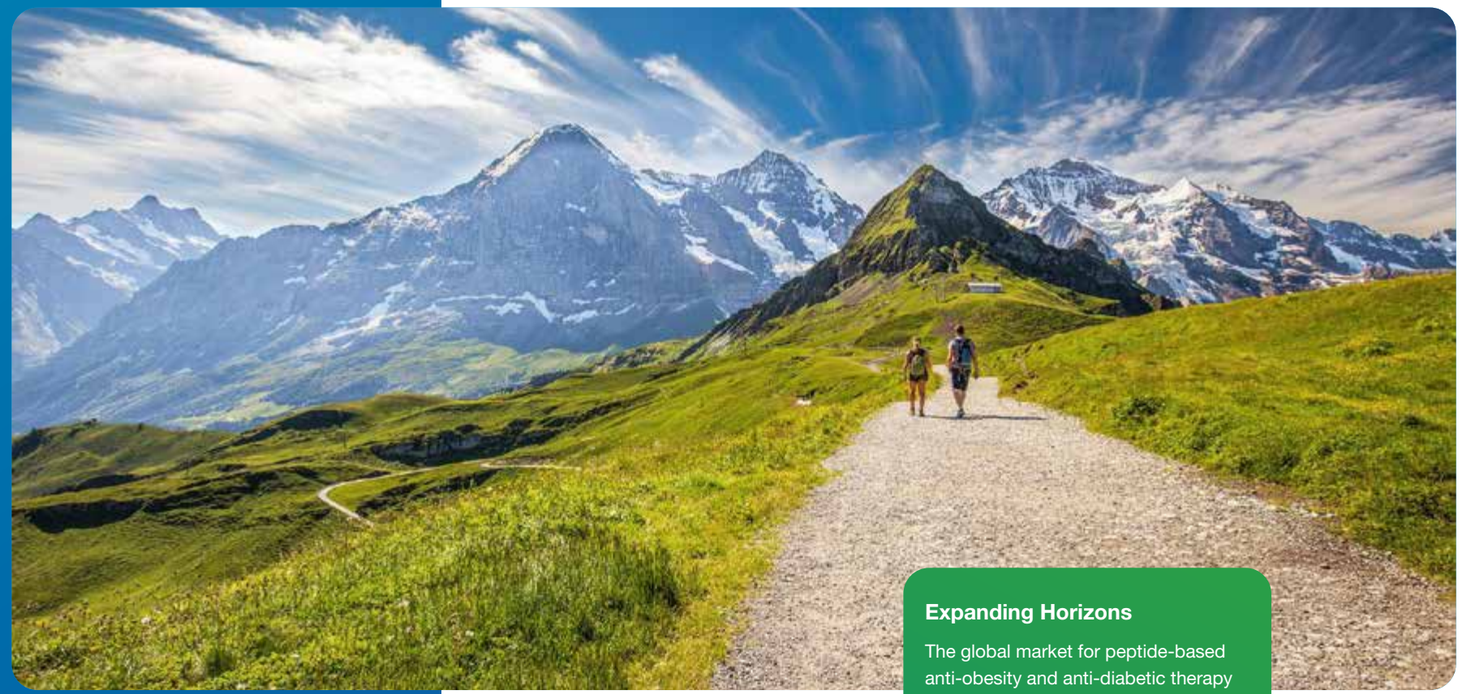
Granules is committed to transparency and stakeholder engagement, and we consider feedback an essential part of improving our disclosures. For any queries or suggestions related to this report or our ESG performance, stakeholders are encouraged to contact us at investorrelations@granulesindia.com.

You can also reach us by submitting your queries through our contact form at https://granulesindia.com/contact-us/.

From being a paracetamol API manufacturing facility four decades ago to a multi-faceted global pharmaceutical company, this is the evolution journey of Granules, always expanding horizons and building a stronger tomorrow.

Over the years, we have consistently achieved high levels of manufacturing excellence, set new standards of quality and expanded our presence across the world.

Our long-term growth story remains focused and diversified, underscoring that our strategy is not solely dependent on new product approvals from any particular manufacturing facility.



Beyond compliance, we have implemented enterprise-wide quality culture initiatives, including corporate procedures for cleaning validation, visual checks, residue limits, change controls and competency building across teams.

The key drivers for building a stronger tomorrow include new launches from our GPI facility in the US, the addition and commercialisation of capacity at our Greenfield formulation facility in Genome Valley, advancements across the value chain in Europe, and the expansion of our oncology pipeline. Our near-term growth will be driven by new product launches from our GPI site for the US market, especially in the CNS and ADHD segments.

Expanding Horizons

The global market for peptide-based anti-obesity and anti-diabetic therapy has already crossed $50 billion in annual sales and is projected to reach $100 billion to $150 billion by 2030. Beyond metabolic disorders, we are seeking opportunities in oncology, cosmetics and theragnostics, where peptides are enabling next-generation targeted therapy.

Following the strategic acquisition of **Senn Chemicals**, a Swiss-based CDMO, we have entered the high-growth peptide therapeutic space. This marks our formal foray into the realm of complex peptides in the fight against diabetes and obesity.

At Granules, we recognise that the health of our planet and the well-being of humanity are deeply intertwined. This insight drives our commitment to sustainability. While we continue to focus on business outcomes and profitability, we have made significant progress on the sustainability front.

Granules has received a **gold rating** from EcoVadis, placing us in the top 5% of all participating companies globally in our very first corporate level assessment. We also secured our CDP climate rating to a **“B”** add CDP SEA **“A”** Score. We have also secured **SBTi validation** for our climate goals affirming our commitment to transparent, science-based decarbonization. Additionally, we launched our supplier sustainability program to extend our impact across the value chain.

We are strategically expanding into high-growth areas such as oncology and peptides, which will shape our medium to long-term strategy. Concurrently, we continue to invest in high-velocity innovation to build a differentiated portfolio that underpins sustained value creation and global competitiveness.

Reviewing FY25 Performance

Resilient performance for a stronger tomorrow



ESG

6166
Total Workforce

13%
Female Workforce

100%
Return to work rate

32 %
Reduction in Recordable incidents

Zero
Fatal incidents

32%
Scope 1+2 Absolute Emission reduction compared to base year FY23

82735 MWh
Electricity Consumed

69%
Electricity consumption is from Renewable Energy sources (PPA, Roof Top solar, and I-RECs)

1 MW
Installed onsite roof top solar power capacity at our Gagillapur

881 TJ
Energy Consumed

24%
Total energy we consumed was sourced from renewable energy sources (Biofuel, PPA, Roof Top solar, and I-RECs)

42,020 tCO_2e
Avoided GHG Emissions

2,16,823 KL
Water Consumed

44%
Wastewater recycled and Reused

80%
Hazardous waste diverted from Landfill(Co-Processed)

50%
Board members are Independent Directors

25%
Representation of women on the Board

100%
Products include information on environmental impact, safe usage, and disposal.

Zero
Data breaches or privacy incidents



Financial

₹ 44,816 Mn
(-1% compared to FY24)
Revenue

27,559 Mn
(+11% compared to FY24)
Gross Margin

16.6%
(16.5 % in FY 24)
ROCE

₹ 5,015 Mn
(+24% compared to FY24)
PAT

₹ 9,452 Mn
(+10% compared to FY24)
EBITDA



Operational

8
Manufacturing facilities

100+
Molecules

80+
Countries Served

300+
Global Customers Across

127
ANDAs Filed

100
Approved

85
EMA – DCP filed

8
Approved

300+
ROW DMFs

33
EU DMFs

41
US DMFs

119
Overall Patents/Applications

10
Granted

86
Indian Patent Filings

7
US Patent Filings

About Us

Emerging as a world-class, vertically integrated pharmaceutical manufacturing platform

With a rich legacy spanning four decades, Granules India has evolved into a high-growth, vertically integrated pharmaceutical player of global stature.

From our origins in API manufacturing, we have built a robust value chain that now delivers high-quality Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs), Finished Dosages (FDs), and Speciality Products to leading healthcare markets worldwide.

Our scale is matched by precision, supported by one of the largest batch capacities in the industry and a product portfolio aligned with global therapeutic needs. Guided by research and process innovation, we continue to deliver safe, effective and affordable medicines, meeting the expectations of partners and patients across geographies.

Propelled by Our Purpose

Healing Lives Responsibly through Pioneering Green Science

Inspired by Our Vision

To establish ourselves as a world leader in the green chemical and pharmaceutical industry by harnessing cutting-edge technologies to enhance the quality of life.

Guided by Our Core Values

Challenging the Limits

Our unwavering belief in pushing boundaries and thinking beyond the possible drives us to challenge the status quo, embrace risk, and consistently pursue innovation fearlessly, without necessarily conforming to established practice. In doing so, we leverage the power of science in the best way possible.

Customer Driven

Being driven by the customer's best interests is a way of life for us. It fuels our passion to develop tailored solutions that prioritize customer preferences. It inspires us to go above and beyond and forge lasting, meaningful relationships.

Quality Everywhere

Quality excellence is not just a goal but a relentless pursuit embedded in our DNA. We are driven by an approach to achieve 'best-in-class' across our products, operations, processes, and conduct. We believe this is the only way to go further, be a preferred partner for our customers, and inspire confidence and ambition in all stakeholders.

Futuristic Thinking

We think about tomorrow and beyond. Our actions and efforts must have a positive and transformative impact for a long time to come, and everything we do is evaluated through this prism.

Empowering Employees

People are the beating heart of Granules. They must be encouraged and empowered to be the best version of themselves. Through our approach, we enable and empower our colleagues and communities to achieve their highest potential, co-creating opportunities for collaboration and impact.

Environmental Stewardship

Being a positive force for the planet and its preservation is a fundamental duty that we fulfil through our efforts in green science, responsible practices, and a trusteeship approach. Long-term success is based on our ability to partner in fostering a harmonious relationship with the planet and caring for it for the benefit of future generations.

Milestones

An illustrious journey towards new horizons and stronger tomorrow

From API production to front-end formulation and CDMO services, each milestone highlights our strategic focus and pursuit of operational excellence and long-term value creation.



1984
Formed Triton Laboratories to produce Paracetamol API at our Bonthapally facility in Hyderabad

1990
Opened Triton's second manufacturing facility at Jeedimetla to produce multiple APIs

1991
Incorporated Granules India Private Limited

1993
Established our first PFI facility at Jeedimetla

1995
Became a listed company following an IPO at the Hyderabad Stock Exchange



2003
Set up a new large-volume PFI facility in Gagillapur

Set up wholly-owned subsidiary, Granules USA, for marketing in the US

2005
Built a new Paracetamol plant in Bonthapally, Hyderabad

2008
Entered the Finished Dosages segment

2010
Received US FDA approval for our first Abbreviated New Drug Application (ANDA)

2013
Established API R&D facility in Pragathi Nagar

Acquired Auctus Pharma – an API manufacturing facility with regulatory approvals

2014
Set up a wholly-owned subsidiary in the US. Granules Pharmaceuticals began focusing on formulation R&D to forward integrate APIs

2015
Laid the foundation for our Oncology API and OSD plant and a multiple product API plant in Visakhapatnam



2019
Entered the front-end business for the sale of Rx Products in the US under the GPI label

2021
Set up the largest single manufacturing site for a multi-unit pellet system facility at Gagillapur

2023
Set up GPAK, a ~80,000 sq. ft. packaging facility with four packaging suites and a warehousing facility;

Established new purpose, mission and values

2024
Granules Life Sciences (GLS), with a planned FD capacity of 10 bn dosages, successfully commenced operations;

Granules CZRO pilot plant commenced operations







2025
Successfully acquired Switzerland's peptide CDMO firm Senn Chemicals AG

Inaugurated phase-II of GLS expanding dosage capacity to 10 bn dosages

Our Sustainability Journey

Driving business forward with a sustainable vision

2008
- Recognised by CII for implementing 'Environmental Best Practices' at the Gagillapur plant
- Set a target of Zero Liquid Discharge (ZLD), Zero accident zone, and zero occupational health hazard status
- Conducted Hazard Analysis and Risk Assessment (HARA) for each manufactured product

2013
- The Bonthapally facility received the ISO 14001 certification for environmental management and the OHSAS 18001 certification for occupational health safety systems

2014
- Successful completion of the Social Accountability Audit for the Gagillapur plant
- Green initiatives through investments in the ZLD at Bonthapally and the Effluent Treatment Plan at Gagillapur

2017
- Set a compelling vision to empower a significant number of individuals through Pharma Pathashala
- Launched a Self-Directed Team (SDT) program across manufacturing units to nurture skill development

2018
- Initiated the sourcing of electricity from solar power plants
- Supported local suppliers by sourcing 50%-55% from Telangana

2019
- Achieved reduction of solid waste generation and specific water consumption by 27% and 23% at the Bonthapally API facility

2020
- Creation of a sustainability team to execute a focused ESG plan

2021
- Initiated Scope-1 & 2 GHG emission inventorization

2022
- Foray into Green Molecules Platform through Investment in CZRO Subsidiary
- Conducted materiality assessment for the first time and identified 13 ESG material topics

2023
- Conducted comprehensive GHG Inventorization across value chain including subsidiaries
- Submission of our SBTi net zero commitment
- United Nations Global Compact (UNGC) Partnership Established
- Completed PCF analysis for 65% of sales
- Advanced supplier sustainability program

2024
- **Achieved SBTi validation and approval for both near-term and long-term goals. Aligned with the 1.5°C pathway towards net zero by 2050 or sooner**
- **Achieved 1 MW on-site rooftop solar installation at Gagillapur Unit**

2025
- **Received Gold rating by EcoVadis in our very first corporate-wide assessment**
- **Improved our CDP Climate score to a "B"**
- **Recognized on CDP's 2024 Supplier Engagement Assessment (SEA) A-list with score of "A"**
- **Become a member of the Pharmaceutical Supply Chain Initiative (PSCI), supporting responsible and sustainable supply chains.**

Mid-Term Strategy

Scope 1
- Demand-side Initiatives Area: Boiler Plant Optimisation | Condensate Recovery
- Supply-side Initiatives Area: Switching from Coal to Biomass Fuel for boilers

Scope 2
- Demand-side Initiatives Area: Chiller Plant Optimization | Pumping Optimization | Air Compressor Optimization
- Supply-side Initiatives Area: Renewable Energy through PPA & Group Captive

Across Value Chain
- Supplier Sustainability Program to work with suppliers to decarbonize value chain | Supplier Mix optimisation | Green and sustainable sea cargo

Eco Scale in Product Development
- Optimized resource utilization | Incorporating circularity in process development

2030

2030 TARGETS
- Reduce Scope 1 and Scope 2 absolute emissions by 42%
- Reduce Scope 3 absolute emission by 42%
- Sourcing 100% renewable electricity
- Achieve Zero Waste to Landfill
- Touch 1 million+ lives through CSR programs
- Achieve gender pay parity
- Achieve a 100% increase in women's employment compared to FY 24

Long Term Strategy

Green Molecule Platform
- 24x7 Carbon free energy: Renewable Energy plus Battery storage
- Green molecules such as Green Hydrogen, Green ammonia
- Green chemicals for Pharmaceuticals (KSM/ Advanced intermediates starting with raw material for Paracetamol and Metformin)

Green Chemistry Platform
- Enzymatic bio catalysis
- Flow & continuous manufacturing
- Granules Eco scale

Sustainable Formulations
- Solvent and polymer free formulations
- Plant based excipients
- Water efficient manufacturing
- Biodegradable and sustainable packing

2032

2032 TARGETS
- Achieve **Water Positivity**

2050

2050 TARGETS
- Achieve **Net Zero emissions**

Global Presence

Transcending boundaries, delivering value globally

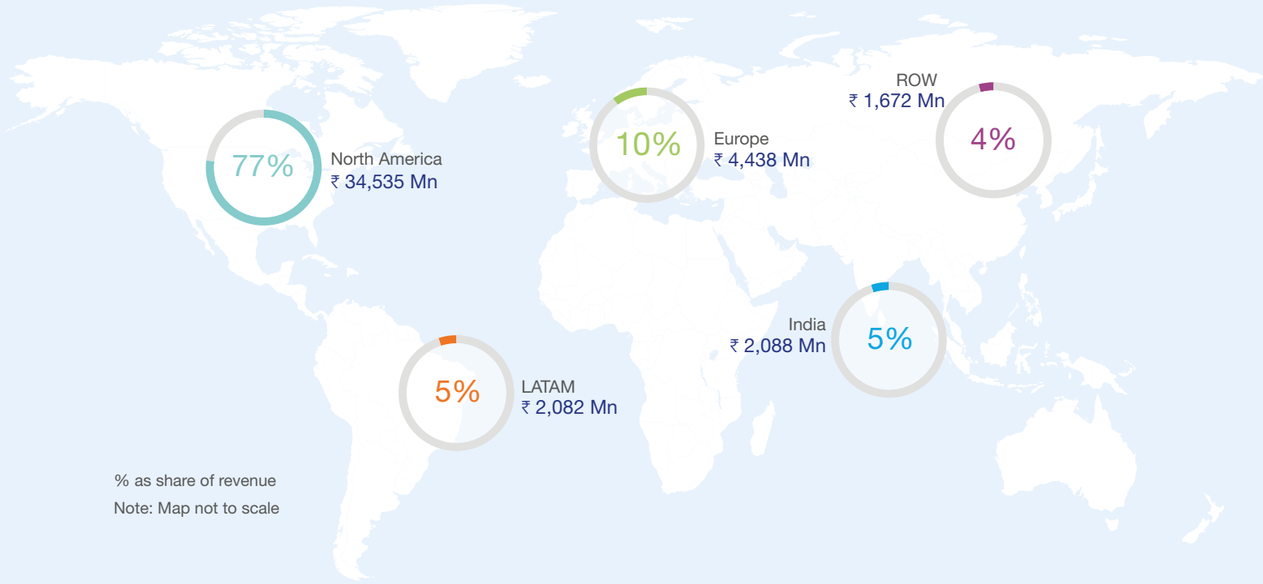
With a growing footprint across key pharmaceutical markets, we have established ourselves as a trusted global partner. Our integrated operations in India and the US are supported by our R&D prowess and manufacturing excellence, enabling us to drive innovation, enhance speed to market, and deliver quality at scale. We serve pharmaceutical companies and retailers across North America, Europe, India, Latin America and other emerging markets.







Supplying **100+** molecules to more than **300** customers across **80+** countries



% as share of revenue
Note: Map not to scale

Manufacturing Units

API
- Bonthapally, Telangana
- Jeedimetla, Telangana
- Vizag (Unit IV), Andhra Pradesh
- Vizag (Unit V), Andhra Pradesh
- Bonthapally II (API Intermediate)

PFI
- Gagillapur, Telangana
- Jeedimetla, Telangana

FD
- Gagillapur, Telangana
- Virginia, USA
- Vizag (Unit V), Andhra Pradesh
- Granules Life Sciences (GLS), Telangana

Packaging
- Virginia, USA

R&D Centres
- Genome Valley, Hyderabad
- API R&D, Pragathi Nagar, Hyderabad
- Bio R&D, Pragathi Nagar, Hyderabad
- Pune, Maharashtra

Building on Strong Momentum

We are accelerating growth across key international markets:

- Strengthening the leadership team with enhanced capabilities
- Driving formulation-led growth in Europe through strategic partnerships, dossier sales and new business development
- Broadening the product portfolio, with new launches tailored to regional demand
- Deepening customer engagement with focused service initiatives and streamlined processes

Multiple Geographies
- North America
- Europe
- Latin America (LATAM)
- Africa, Middle East and Asia (AMEA)

Precision. Scale. Strategic momentum.

Performance Review

Sustained progress this year reflects a calibrated approach to growth marked by expansion in complex generics, optimisation of operational levers, and increased traction across priority markets. The scale up of differentiated filings, integration of high value therapies, and advancement in infrastructure signal our ability to deliver consistent, quality led performance in a dynamic landscape.

Chairman and Managing Director's Perspective
Refer page 16

Business Overview
Refer page 22

Operating Environment
Refer page 18

Business Strategy
Refer page 24

Business Highlights
Refer page 20

Chairman and Managing Director's Perspective



Entering an exciting phase - where science, scale and purpose converge

Dear Stakeholders,

Given the challenging global economic environment, the performance and the progress of Granules India in the financial year 2024-25 has been resilient and encouraging. The year saw pivotal shifts, marked by new opportunities, bold choices, critical introspection and continued progress on our sustainability journey.

The global pharmaceutical landscape is evolving rapidly, driven by the rise of next-generation therapies, evolving regulatory expectations, and the urgent imperative for climate action. At Granules, we are proactively embracing these changes to position ourselves not just as a reliable manufacturer, but as a forward-looking, science-led organisation.

As we navigate the regulatory challenges at our Gagillapur facility through decisive remediation efforts, we remain steadfast in reinforcing a culture of quality and compliance across the organisation. At the same time, we have continued to look ahead broadening our capabilities and stepping into new therapeutic frontiers with the acquisition of Senn Chemicals AG and the launch of our peptide platform, Ascelis Peptides.

Stable Outcomes in a Year of Strategic Shifts

In a year that tested the agility and resilience of our operating model, we delivered a steady performance, while continuing to build the foundation for long-term value creation. The revenue for FY 2024–25 stood at ₹44,816 million, broadly in line with the previous year.

Despite a voluntary production pause at our Gagillapur facility during September 2024 as part of our proactive FDA remediation efforts, and continued headwinds in the API and PFI businesses, our formulation segment grew by 18% demonstrating the success of our strategic shift towards high-margin, differentiated products.

Our EBITDA improved to ₹9,452 million, with 21.1% margin, driven by an improved product mix, even as we absorbed higher freight and professional expenses linked to regulatory remediation. The gross margin rose sharply to 61.5%, up 635 basis points year-on-year, validating the strength of our portfolio strategy. Net Profit after Tax rose 24% to ₹5,015 million, supported by operating leverage and insurance recovery related to the previous year's cyber incident.

Investing for the future continues to be our highest priority, and we are unwavering in our commitment to deliver value that lasts. This is reflected in key numbers: our R&D expenditure increased to ₹2,377 million and capital expenditure touched ₹5,700 million. We are largely focused on strengthening our innovation and manufacturing platforms particularly at Granules Life Sciences. The operating cash flows doubled to ₹8,666 million, while the net debt declined to ₹7,061 million, strengthening our balance sheet, as we prepare for the next phase of growth.

Scaling Up the Value Chain, Broadening Our Horizons

Our strategic pivot towards value-added formulations gained strong momentum in FY 2024-25, with Finished Dosages (FD) contributing 77% to our total revenue up from 65% in the previous year. This 18% growth in FD, despite macro and regulatory headwinds, reflects the impact of our mix optimisation and deepening vertical integration. At the same time, our diversification strategy is delivering results non-legacy products accounted for 38% of revenue in FY25, up from 25% in FY24 lowering concentration risks and opening new therapeutic frontiers.

North America remains our primary growth engine, contributing 77% to the overall revenue pie. Our differentiated CNS/ADHD portfolio, scale in large-volume molecules, and expanding OTC presence continue to drive our performance. With strong operational platforms in both India and the US, our unique 'Make in India, Make in America' model positions us well to capitalise on future opportunities.

Meanwhile, we are enhancing our commercial footprint across Europe, LATAM and AMEA through a refreshed leadership team and sharper focus on BD-led portfolio expansion, formulation-led growth and customer-centricity.

Advancing Science, Expanding Capabilities

Innovation remains the foundation of our growth strategy as we evolve into a differentiated, future-ready pharmaceutical company. With over 400 scientists and increased investment in advanced technologies, we are building a robust pipeline across controlled substances, complex dosage forms, and next-generation therapies in oncology and diabetes. Our Genome Valley R&D facility anchors integrated product development, while our Centres of Excellence in Virginia, Pune and Pragathi Nagar continue to drive progress in complex formulations, biocatalysis and continuous manufacturing.

A defining milestone in this journey was the acquisition of **Senn Chemicals AG** and the launch of **Ascelis Peptides**, our global subsidiary focused on peptide-based therapeutics and CDMO services. Backed by Senn's six-decade legacy in both liquid and solid-phase peptide synthesis, and deep relationships with innovators across pharma, cosmetics and theragnostics, Ascelis brings end-to-end capabilities from amino acid derivatives to APIs and finished dosages. It will also lead Granules' peptide strategy, including the development of generic GLP-1s, oncology peptides and next-generation modalities such as peptide-drug conjugates. A new peptide lab at IIT Hyderabad, working closely with Senn's Swiss R&D, adds further depth to our innovation network.

This strategic foray significantly expands our capabilities and reaffirms our commitment to building a science-led, diversified and future-focused Granules.

A Year to Remember: Continued Momentum on Our Sustainability Journey

FY 2024–25 marked a high point in our sustainability journey, with visible progress and global recognition. Granules was awarded a **Gold rating by EcoVadis** in our very first corporate-wide assessment, placing us in the top 5% of all participating companies globally. We also improved our **CDP Climate Rating to a B** and secured **SBTi validation** for our climate goals affirming our commitment to transparent, science-based decarbonization.

We were also named to the **CDP 2024 Supplier Engagement Assessment (SEA) A-List**, recognizing our leadership in Scope 3 engagement and supply chain climate action. The launch of our structured Supplier Sustainability Program further extended our environmental impact across the value chain.

Our Sustainability efforts were also recognised by the **Golden Peacock Award for Sustainability**, reflecting our integrated, forward-looking ESG agenda. These milestones validate our direction and strengthen our resolve to build a more sustainable, responsible Granules.

As we look ahead with robust optimism, we remain steadfast in our commitment to enhancing quality and compliance, while proactively pursuing our growth objectives. Our future is powered by multiple engines from new launches out of GPI and Europe to capacity expansion at our Genome Valley facility and continued advancement in peptides, oncology and complex generics.

We are entering an exciting phase where science, scale, and purpose converge. With a clear strategy, a robust pipeline, and a passionate team, I am confident that Granules is well positioned to deliver broad-based, sustainable growth and create lasting value for all stakeholders.

Warm regards,

Dr. Krishna Prasad Chigurupati
Chairman & Managing Director

Operating Environment

Navigating the macro landscape with agility

The operating landscape during FY2024-25 remained largely unpredictable, influenced by uncertain geopolitical factors, policy scenario, demand trends and disruption in supply chains. At Granules, we stay closely attuned to these changes, allowing us to navigate uncertainty with agility. By aligning with broader trends, we continue to seek new opportunities and strengthen our competitive advantage.

Global Pharmaceutical Market Growth



What is it?

The global pharmaceutical industry continued its upward trajectory, supported by the prevalence of growing chronic diseases, ageing populations, and increased healthcare access in emerging markets. However, inflationary pressures and pricing reforms in key regions introduced headwinds.

How does it impact us?

Our presence in multiple geographies and product segments, especially across the US and emerging markets, helped us balance demand variability. Our focus on operational efficiency and vertically integrated manufacturing allowed us to respond competitively to pricing pressure.

API and Raw Material Supply Dynamics



What is it?

Intermittent disruptions in API and intermediate supply, particularly from major sourcing hubs such as China, impacted cost structures and planning cycles across the global pharmaceutical industry. Price volatility remained a factor, driven by input cost fluctuations and supply chain constraints.

How does it impact us?

Our backward integration strategy and expanded API capabilities insulated us from major disruptions. It also supported cost control and assured supply for our formulations business.

Evolving Therapeutic Mix



What is it?

The global focus is shifting towards complex generics, high-potency APIs, and specialty products, moving beyond commoditized generics.

How does it impact us?

Our R&D strategy is aligned with this shift, with increased investment in sustained-release, oncology and value-added generics. This positions us to move up the value chain and tap into higher-margin segments.

Contract Development and Manufacturing Growth



What is it?

CDMO demand surged, as global pharma companies sought flexible manufacturing partners to reduce fixed costs and expand capacity.

How does it impact us?

We are enhancing our CDMO offerings through dedicated capacities and customised solutions. Our integrated infrastructure and regulatory track record make us a preferred partner for global customers.

Geopolitical and Trade Challenges



What is it?

Geopolitical tensions, trade restrictions, and protectionist measures disrupted traditional pharma trade routes and added complexity to cross-border logistics.

How does it impact us?

Our diverse global footprint, with facilities in India and the US, and robust supply chain systems, helped maintain delivery timelines. Strategic sourcing and logistics planning minimised disruptions.

Digital Transformation in Pharma



What is it?

Pharma companies are accelerating digital initiatives in manufacturing, quality control, and supply chain to enhance agility and compliance.

How does it impact us?

We are adopting digital tools across operations, enabling real-time monitoring, improved traceability, and predictive quality management. These initiatives are also improving cost efficiency and regulatory responsiveness.

Business Highlights

Every quarter builds a stronger tomorrow

During the year FY 2024-25, we made steady operational progress across key focus areas. From regulatory milestones to product launches and capacity enhancements, each quarter brought distinct developments that shaped our growth trajectory.



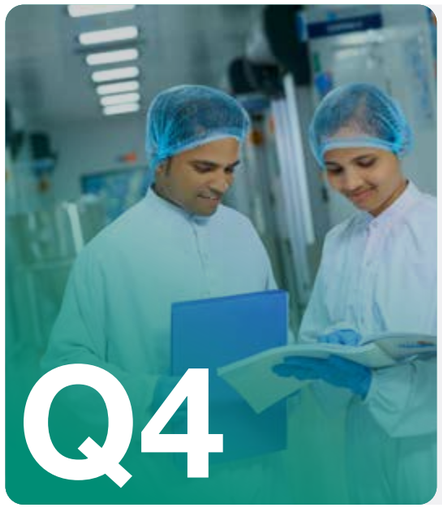
- Maintained strong momentum in formulations with continued growth in the North America region
- New approvals included Colchicine Capsules, with commercial launches for Colchicine and Esomeprazole in the US
- API and PFI volumes remained muted, impacted by high customer inventory and pricing pressure
- Continued investment in R&D to strengthen the product pipeline and focus on complex generics
- Operational performance remained stable, supported by healthy plant utilisation across key units



- Product approvals during the quarter included Trazodone HCl Tablets and Glycopyrrolate Oral Solution
- Pantoprazole was launched in the US market, further strengthening the presence in the gastro segment
- Formulations maintained a larger revenue share, supported by a favourable product mix
- The Gagillapur facility was inspected by the US FDA between 26 August and 6 September 2024. Our production was temporarily paused in September for internal review and resumed in a phased manner in October 2024



- Operations at Gagillapur stabilised, following phased resumption after earlier FDA-related pause
- Product approvals included Bupropion SR Tablets and Lisdexamphetamine Chewable Tablets
- Trazodone Hydrochloride was launched in the US through the front-end business
- Formulations continued to drive the product mix, while API and PFI segments faced subdued demand
- R&D remained focused on new filings and strengthening bioequivalence studies for pipeline products



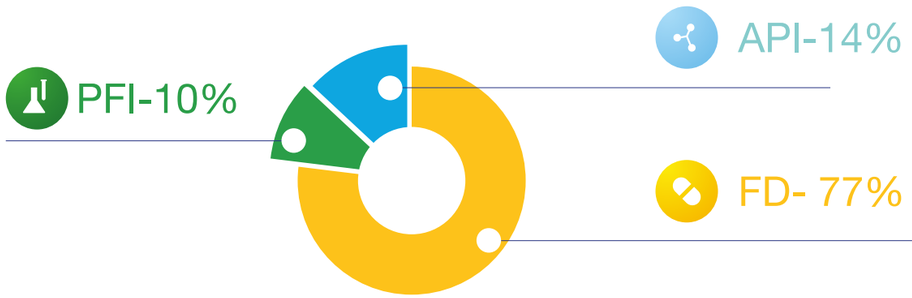
- Phase II of Granules Life Sciences facility was inaugurated, expanding dosage additional capacity of 7.5 billion units to a total of 10 billion units
- Signed definitive agreement to acquire Senn Chemicals AG and completed closing on 10th April, adding peptide CDMO capabilities
- Product approvals included Lisdexamphetamine Dimesylate Capsules
- New launches in the US included Lisdexamphetamine, APAP+Oxycodone HCl, APAP+Hydrocodone, and Dofetilide Capsules
- Gagillapur operations continued with quality remediation measures in place following the earlier inspection
- Formulations retained a higher share within the overall product portfolio despite challenges in site productivity

Business Overview

An in-depth look into our business

We have transitioned from an API-focused company to an integrated player across the pharmaceutical value chain. This evolution has positioned us as a global player with capabilities in APIs, PFIs and finished dosages. We continue to prioritise cost efficiency and innovation, driven by development-stage optimisation, continuous improvement and strategic initiatives across manufacturing and supply chain operations.

Division-wise share (%)





Pharmaceutical Formulations Intermediaries (PFI)

We introduced the concept of commercial PFIs to improve product economics for customers. With a six-tonne batch processing capacity, we are among the largest players in India. Our 'Drum to Hopper' model helps optimise investment and minimise development efforts. We collaborate with global customers as a trusted manufacturing partner.

What We Offer

- High-capacity PFI processing
- Simplified input-to-production integration
- Economical formulation solutions
- Strategic manufacturing partnerships

Focus Areas

- Scaling operational throughput
- Supporting customer efficiency
- Driving end-to-end formulation value
- Expanding global reach in PFIs

PFI Revenue (₹ Mn)

FY 2024-25	4,294
FY 2023-24	6,107
FY 2022-23	9,021
FY 2021-22	8,456
FY 2020-21	6,262



Active Pharmaceutical Ingredients (API)

We produce high-volume molecules, including Paracetamol, Metformin, Guaifenesin, and Methocarbamol through efficient, technology-driven operations. Our facilities use Distributed Control Systems (DCS) to minimise manual intervention, while enhancing quality and output. Through continuous manufacturing and strong global partnerships, we support strategic customers in over 80 countries.

What We Offer

- High-volume API production
- Technology-enabled manufacturing infrastructure
- Global B2B partnerships
- Regulatory-compliant supply to international markets

Focus Areas

- Advancing continuous processing
- Expanding automation
- Enhancing customer collaborations
- Strengthening global footprint

API Revenue (₹ Mn)

FY 2024-25	6,185
FY 2023-24	9,866
FY 2022-23	13,414
FY 2021-22	9,751
FY 2020-21	9,124



Finished Dosages

We are an integrated manufacturer of prescription and over-the-counter products, offering a wide range of release profiles, including immediate, extended, and delayed release, as well as multi-particulate pellet systems. Our capabilities span the development and production of various dosage forms such as tablets, capsules, press-fits, oral solutions, suspensions, and powders. We support diverse packaging needs and have filed dossiers globally, with a strong presence in North America, Europe and South Africa. We also collaborate with strategic customers through contract manufacturing.

What We Offer

- Multiple release technologies
- Diverse oral dosage forms
- Flexible packaging formats
- Global regulatory submissions

Focus Areas

- Expanding formulation capabilities
- Strengthening geographic reach
- Supporting customer-specific requirements
- Enhancing global partnerships

FD Revenue (₹ Mn)

FY 2024-25	34,336
FY 2023-24	29,090
FY 2022-23	22,684
FY 2021-22	19,442
FY 2020-21	16,989

Business Strategy

Catering to evolving global markets

Our strategy is anchored in strengthening core operations, advancing research and development, and integrating sustainability across functions. These focus areas position us for long-term growth, operational resilience and responsible value creation for a global customer base. With operations in India and the US, supported by four R&D centres in India, we drive innovation, scale and efficiency, making Granules the preferred partner for leading pharmaceutical companies and retailers across the US, EU, UK and other key markets.



Building Sustainable Key Product Leadership

Leadership for our legacy products

- Paracetamol
- Metformin
- Ibuprofen

Emerging molecules

- Large volume products
- Controlled substances
- MUPS products

Key Operations and R&D Initiatives to Strengthen and Sustain Our Cost and Market Leadership

- Backward Integration
- Process Improvement
- Formulations Technologies
- Bio Catalysts + Continuous Manufacturing
- Minimising Carbon Footprint



Strengthening our Core

Our commercial strategy focuses on consolidating leadership in key therapeutic segments, while expanding market presence across North America. In the US, we are scaling both prescription (Rx) and OTC businesses through targeted investments and strategic partnerships.

Operational Agility and Execution

Our focus remains on optimising sourcing, improving logistics and enhancing supply chain reliability. These measures support better service levels and internal productivity, positioning us to respond swiftly to market dynamics.

Deepening Leadership in North America

We continue to strengthen our position in CNS/ADHD therapies and large-volume molecules through our GPI operations. In the OTC space, our GCH and GPAK platforms are enabling growth through collaborations with leading US retailers and brand owners.

Driving Business Growth through Product Launches

New launches across both Rx and OTC categories are key to our growth agenda. These are supported by business development efforts in differentiated dosage forms and backed by strong commercial execution.

Strong R&D Capability and Product Pipeline

Our research and development efforts span the full pharmaceutical value chain, from chemical intermediates and APIs to finished dosages. We are building differentiated capabilities across locations to accelerate product development, ensure quality, and strengthen our pipeline.

Integrated Product Development

Our Genome Valley, MN Park R&D facility is designed for integrated product development, bringing together formulation and analytical teams to enable seamless coordination. This setup helps fast-track product development timelines and enhances knowledge sharing across functions.

Controlled Substances R&D

Pragathi Nagar R&D serves as a Centre of Excellence for controlled substances (CII), focusing on API development and select key starting materials (KSMs). GPI R&D supports complex finished dosage development, with a special focus on technologies that address high-barrier markets.

New Technologies

Our Bio Lab at Pragathi Nagar focuses on enzyme and fermentation capabilities to support novel product pathways. Pune R&D is working on new technology platforms with an emphasis on innovative KSM development and backward integration to enhance supply resilience and cost control.

Sustainability at Every Step of the Journey

Sustainability is embedded in our strategy, with a Net Zero target by 2050 aligned to the SBTi 1.5°C pathway. Our roadmap addresses Scope 1, 2 and 3 reductions through renewable energy, biofuels, supplier engagement, and green technologies like Biocatalysis. We maintain Zero Liquid Discharge, drive resource efficiency, and ensure compliance. Our initiatives extend across the value chain and communities, enabling long-term impact through healthcare, education, and environmental awareness.

Refer to Natural Capital - page 118

Designed For Continuity. Aligned For Impact.

Value Creation

Enduring value is shaped by the interplay of strategic clarity, internal coherence and the capacity to adapt with purpose. Our structure is designed to absorb complexity, anticipate disruption and align decisions with long range priorities. Every layer of the organisation is directed towards outcomes that are relevant, resilient and responsibly delivered.

Business Model
Refer page 30

Materiality Assessment
Refer page 32

Stakeholder Engagement
Refer page 34

Risk Management
Refer page 38

Governance
Refer page 44

Business Model

Delivering value through commercial excellence

Inputs

Financial Capital

Efficiently deploying capital to drive sustainable growth and profitability through operational scale, cost optimisation, and strategic investments.

- **21.1%** EBITDA margin
- **16.6%** RoCE
- **₹ 242.54 Mn** Equity Share Capital

Manufactured Capital

Maximising output through vertically integrated, state-of-the-art facilities with global regulatory approvals.

- **8** Manufacturing facilities
- **5** API units
- **3** FDF units
- **₹ 5,700 Mn** Capex invested

Intellectual Capital

Building capabilities in complex generics, APIs, and formulation development with continuous innovation and digital transformation.

- **₹ 2,377 Mn** Total R&D expenditure
- **127** ANDAs filed
- **119** Patents filed
- **~405** Scientists across API and FD R&D

Human Capital

Nurturing a high-performance, safety-focused, and learning-oriented workforce to power sustainable operations and innovation.

- **4,000+** Total employees
- **462,000+** Training hours delivered
- **12.7%** Female Workforce

Social and Relationship Capital

Strengthening long-term relationships with B2B partners, customers, suppliers, and communities to enhance trust and value delivery.

- **₹ 118.90 Mn** CSR spend
- **5,000+** Supplier partners

Natural Capital

Reducing environmental footprint through efficient use of resources and responsible operations.

- **881.1 TJ** Energy Consumed
- **2,16,823 KL** Water Consumed
- **82,735 MWh** Electricity Consumed
- **76,267 tco_2e** GHG emissions (Scope 1 & 2)

Our Vision

To establish ourselves as a world leader in the green chemical and pharmaceutical industry by harnessing cutting-edge technologies to enhance the quality of life

Our Business Segments

API | **PFI** | **FD**



Supported by our values

- Challenging the Limits
- Customer Driven
- Quality Everywhere
- Futuristic Thinking
- Empowering Employees
- Environmental Stewardship

Outputs

Financial Capital

- **₹ 5,015 Mn** PAT
- **₹ 9,452 Mn** EBITDA
- **₹ 44,816 Mn** Revenue from Operations

Manufactured Capital

- **300+** Quality products across dosage forms and therapeutic categories
- **18+ Bn** total formulation units manufactured

Intellectual Capital

- **62%** Legacy 5 Products
- **38%** Non-Legacy
- **119** patents as on 31 March 2025

Human Capital

- **300+** women employees
- **100%** return to work rate for parental leave
- **No** Fatal incidents
- **Focus on workplace safety**
- 31.6 % Reduction in Recordable incidents
- ISO 45001 certified, Great Place to Work Certified, Zero Fatalities

Social and Relationship Capital

Strengthening long-term relationships with B2B partners, customers, suppliers, and communities to enhance trust and value delivery.

- **1,00,000+** lives positively impacted
- **through CSR programmes**
- Responsible public policy advocacy
- Patient-centricity and awareness campaigns

Natural Capital

Reducing environmental footprint through efficient use of resources and responsible operations.

- **32.2%** Absolute reduction in GHG emissions (Scope 1 & Scope 2)
- **44.2%** Wastewater recycled and reused
- **80%** Hazardous waste diverted from Landfill (Co-processed)

Outcomes

Improved profitability through disciplined capital allocation, cost control, and market expansion. Strategic governance and operational resilience supported sustainable growth while enabling continued investment in R&D, infrastructure, and global supply capabilities.

We enhanced operational efficiency through integrated manufacturing and process optimisation. Our focus on safety, quality, and delivery timelines helped ensure reliable supply across markets and regulatory jurisdictions.

We progressed our differentiated pipeline with increased R&D investment and new filings. By expanding our innovation capabilities and protecting proprietary formulations, we reinforced our ability to deliver high-impact, science-backed solutions.

We continued to invest in employee development, safety, and well-being through structured learning, inclusive practices, and leadership programmes, building a workplace where people thrive and align with our standards of operational excellence.

We deepened engagement across stakeholder groups, expanding access to quality medicines, supporting communities through healthcare and education programmes, and reinforcing trust through transparent, ethical, and responsible business conduct.

We advanced our sustainability agenda by improving resource efficiency, reducing environmental impact, and maintaining Zero Liquid Discharge at key sites embedding environmental stewardship across our manufacturing operations.

Our Stakeholders

- Investors and Shareholders
- Customers
- Suppliers and Business partners
- Community and NGOs
- Employees
- Workers

Materiality Assessment

We conducted a Double Materiality Assessment to shape a sustainability strategy that reflects both stakeholder expectations and evolving business priorities. This assessment plays an important role in guiding our approach to responsible growth and transparent disclosures.

Understanding Double Materiality

Our assessment was based on the Double Materiality principle, which recognises the need to view sustainability through two lenses:

- **Inside Out** – how our operations influence the environment and society, including climate, resource use, workforce welfare and community interactions
- **Outside In** – how ESG-related developments such as regulation, climate factors or stakeholder expectations may affect our business performance

This approach provides a structured way to address emerging challenges and align ESG priorities with long-term value creation.

Stakeholder Groups Consulted

Internal

- Employees across levels including contractual staff
- Senior leadership and executive management

External

- Investors
- Regulatory bodies
- Suppliers
- Local communities
- Customers
- NGOs

Our Four-Step Approach

We followed a clear four-step process to identify and prioritise material topics:

01 Plan

Defined the framework and engagement approach using established ESG standards including GRI, SASB, BRSR, CDP and TCFD

02 Assess

Engaged with around 97 stakeholders through online surveys. Participants included Board members, senior management, employees, investors, NGOs, customers, suppliers and regulatory representatives

03 Develop

Reviewed and analysed feedback to evaluate the relevance and impact of ESG topics from both business and stakeholder perspectives

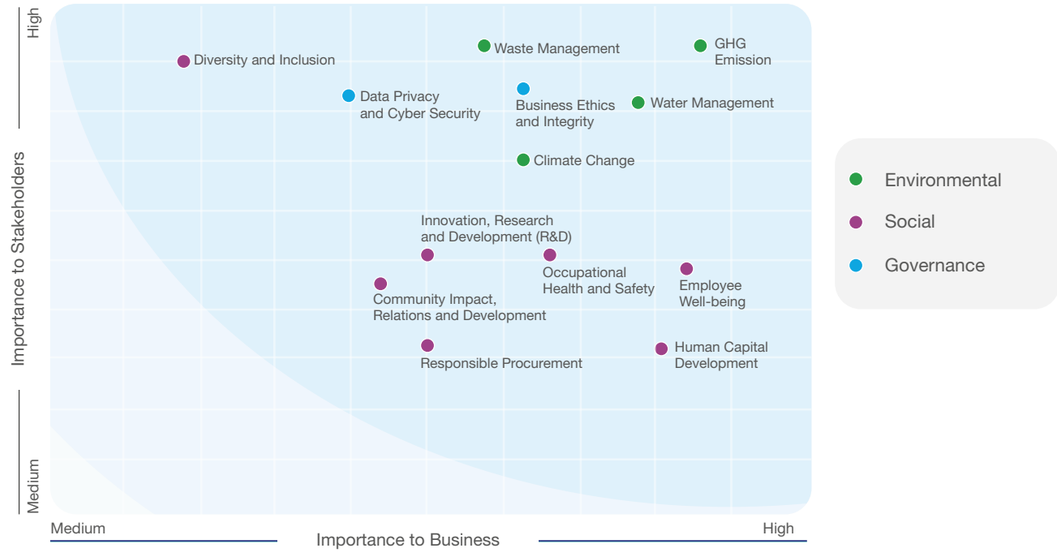
04 Identify

Shortlisted 13 priority material topics from an initial set of 33. These are grouped under Environmental, Social and Governance themes

A strategic Outcome

As part of the process, sustainability governance has been positioned as a foundation of our ESG framework. It now serves as a structural element rather than a material topic, ensuring integration with our strategic direction and day-to-day operations.

The assessment supports our ability to stay responsive to external developments while maintaining focus on areas that matter to our stakeholders. It will continue to be updated at regular intervals to reflect changes in the operating environment and stakeholder concerns.



Environmental

01 GHG Emissions

Managing and reducing greenhouse gas emissions with a long-term objective of reaching net zero by 2050

02 Climate Change

Developing climate resilience and advancing the use of green technologies such as renewable energy and green hydrogen

03 Water Management

Encouraging efficient use of water resources through recycling, reuse and improved wastewater treatment practices

04 Waste Management

Applying circular economy practices with a focus on maximising recycling of non-hazardous waste using the Reduce Reuse Recycle (3R) framework

Social

05 Diversity and Inclusion

Maintaining a workplace culture that respects individual differences and promotes equal opportunities for all

06 Employee Well-being

Supporting the overall physical, mental and emotional health of employees to enhance engagement and continuity

07 Occupational Health and Safety

Upholding stringent health and safety standards across all sites, particularly in complex manufacturing environments

08 Human Capital Development

Enabling skill development, technical training and leadership pathways to prepare employees for future roles

09 Innovation Research and Development (R&D)

Strengthening product and process innovation with a focus on sustainable and high-impact pharmaceutical solutions

10 Community Impact and Development

Engaging in healthcare, education and livelihood projects that contribute to the well-being of surrounding communities

11 Responsible Procurement

Integrating ESG parameters into procurement decisions and encouraging transparency throughout the supply chain

Governance

12 Business Ethics and Integrity

Maintaining strict adherence to ethical conduct, compliance frameworks and anti-corruption measures across all functions

13 Data Privacy and Cybersecurity

Strengthening information security infrastructure to safeguard sensitive data in a dynamic digital environment

Alignment with Global Frameworks

The materiality assessment process was informed by leading international standards and benchmarks, including:

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Business Responsibility and Sustainability Report (BRSR)
- Carbon Disclosure Project (CDP)

Stakeholder Engagement

Diverse insights help amplify value creation

We engage with all stakeholders throughout the year through multiple channels of communication to gather their insights and incorporate their perspectives into our strategic planning and execution approach.



What matters	Key concerns	How we engage

Investors and Shareholders

01

Transparent reporting, long-term growth visibility, sustainable business practices, responsible capital allocation, and strategic clarity on business direction and innovation-led growth

- Return on investment, financial stability, ESG integration, risk management, and consistency in business performance across geographies and product segments

- Investor and analyst meetings
- Presentations and forums
- Annual and sustainability reports
- AGM and financial updates

Frequency of engagement

Quarterly, Half-yearly, Annually, Board updates, Need-based

Capitals interlinkage

Customers

02

Consistent product quality, regulatory compliance, ethical manufacturing, customer support responsiveness, and long-term reliability of supply and service delivery

- Health and safety of products, supply chain resilience, timely fulfilment, transparency in communication, and responsiveness to feedback or incidents

- Customer meets and feedback
- Site visits and manufacturing audits

Frequency of engagement

Quarterly, Half-yearly, Annually, Board updates, Need-based

Capitals interlinkage

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital

Social and Relationship Capital | Natural Capital

Stakeholder Engagement

Suppliers and Business Partners

03

What matters	Key concerns	How we engage
Fair procurement practices, timely payments, long-term relationship opportunities, ethical sourcing, collaborative growth, and capacity-building support through technical and training programmes.	• Clarity in expectations, payment timelines, sustainability requirements, procurement transparency, mutual accountability, and continuity of business during disruption periods	• Supplier meets and audits • Facility visits • Training and development programmes

Frequency of engagement

Events, Need-based

Capitals interlinkage

Community and NGOs

04

What matters	Key concerns	How we engage
Collaborative engagement in health, education, and livelihoods, measurable social outcomes, and consistent corporate contribution to local and environmental welfare	• Last-mile impact, continuity of CSR programmes, inclusiveness of beneficiaries, alignment with local needs, and measurable improvement in community well-being	• CSR interactions and initiatives

Frequency of engagement

Quarterly, Half-yearly, Annually, Board updates, Need-based

Capitals interlinkage

Employees

05

What matters	Key concerns	How we engage
Skill development, transparent communication, equitable growth opportunities, strong work culture, performance recognition, and job security in a safe environment	• Career advancement, access to upskilling, fair performance evaluation, leadership accessibility, inclusion, and physical and mental well-being at the workplace.	• In-house publications • HR communications • Engagement programmes • Senior leadership interactions

Frequency of engagement

Monthly, Quarterly, Annually, Board updates, Need-based

Capitals interlinkage

Workers

06

What matters	Key concerns	How we engage
Workplace health and safety, respectful treatment, job security, fair wages, grievance redressal, and opportunities for social and economic upliftment	• Occupational safety, respectful work environment, health coverage, hygiene facilities, timely communication, and protection from work-related risks or injuries	• Safety programmes • HR communications • In-house publications

Frequency of engagement

Daily, Monthly, Quarterly, Annually, Need-based

Capitals interlinkage

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Risk Management

Enhancing resilience against potential uncertainties

Our enterprise-wide risk management framework enables the identification, assessment, and mitigation of current and emerging risks across all functions. Anchored in strong governance, this framework promotes accountability, enhances responsiveness, and ensures that risk oversight is embedded within the culture of the organisation. Through structured reviews, cross-functional coordination and Board-level engagement, we continuously strengthen our risk mitigation to accelerate performance and value creation.

Risk Governance at Granules

Composition of the Risk Management Committee

Independent, Non-Executive

Mr. Kapil Kumar Mehan
Chairman

Dr. Sethurathnam Ravi

Non-Independent, Non-Executive

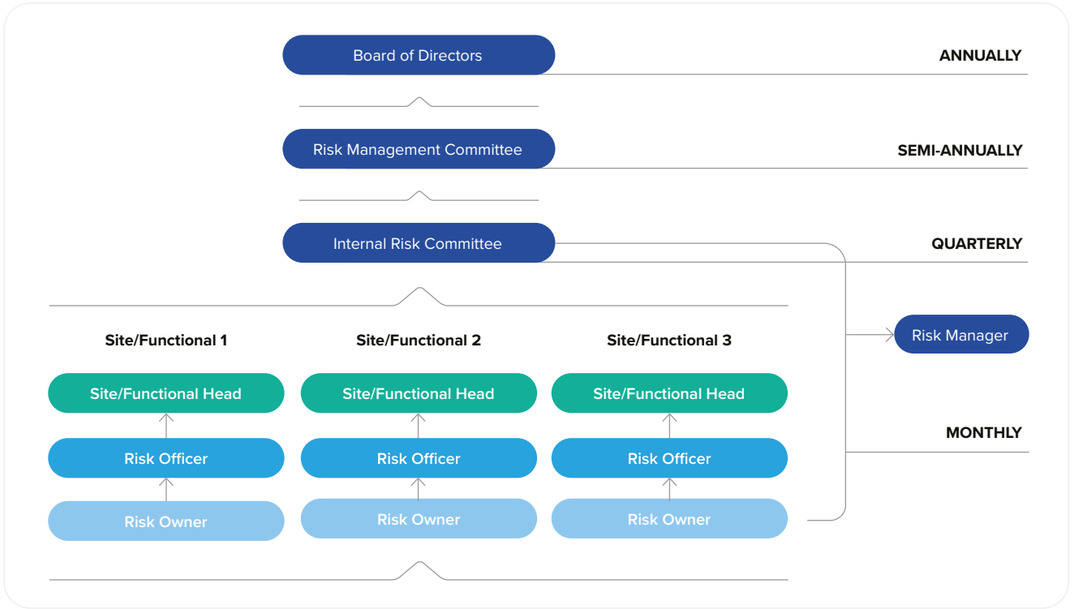
Mr. K.B. Sankar Rao

Non-Independent, Executive

Dr. Krishna Prasad Chigurupati

Dr. KVS Ram Rao





Risk management is driven at the highest levels of the organisation, starting with the Board of Directors and the Risk Management Committee (RMC), and operationalized through the Internal Risk Committee (IRC) and designated Risk Officers at various functions and sites. This layered structure ensures robust oversight, regular risk reviews and continuous monitoring. To enhance visibility and control, risk owners across business units update the enterprise risk register quarterly, with thematic insights used to steer proactive action.

The governance framework enables structured risk-related interactions across all critical areas—from safety, compliance and talent retention to digital security and environmental concerns. Key roles such as the Chief Risk Officer (CRO), site heads and function heads play a vital part in executing risk mitigation plans. A dedicated Risk Manager coordinates the flow of information and ensures consistency in implementation. This enterprise-wide integration, reviewed annually and aligned to strategic priorities, helps Granules India adapt to volatility while preserving long-term business continuity and trust.



Risk Management

Managing Risks with Agility & Prudence

01 Scope, Context and Criteria for Risk Process

Evaluate Granules' business context, i.e.; internal and external environment, to evaluate potential risks and establish risk appetite for risk measurement.

02 Risk Identification

Identification of a comprehensive list of risks based on events that may impact the achievement of business objectives.

03 Risk Analysis, Evaluation and Prioritization

Evaluate and assess the potential impact, likelihood and velocity of the identified risks and prioritization of risks, basis criticality to identify enterprise risks.

04 Risk Response

It involves the process of planning and implementing risk response plans and applicable response strategies basis an assessment of the risk profile.

05 Risk Monitoring and Reporting

The status of the risks needs to be monitored periodically with the changing external environment and the enterprise risks must be reported on a periodic basis to evaluate progress of response plans.



Quality and Regulatory Compliance



Adherence to quality standards is essential for sustaining global market access and building long-term trust with regulatory bodies. Non-compliance can result in regulatory action and operational disruptions.

Capitals Affected

Impact

- Regulatory action may affect supply continuity and market reputation
- Delays in approvals can hinder new product launches
- Increased oversight and resource diversion to address observations

Mitigation

- Engaged global regulatory consultants to support remediation and improve quality systems
- Rolled out extensive training programmes across manufacturing and quality teams
- Strengthened internal audit mechanisms and compliance monitoring tools

Health and Safety



Ensuring a safe work environment is essential for operational continuity, especially in a manufacturing-intensive industry like pharmaceuticals. Non-compliance with safety norms can lead to serious incidents and affect morale.

Capitals Affected

Impact

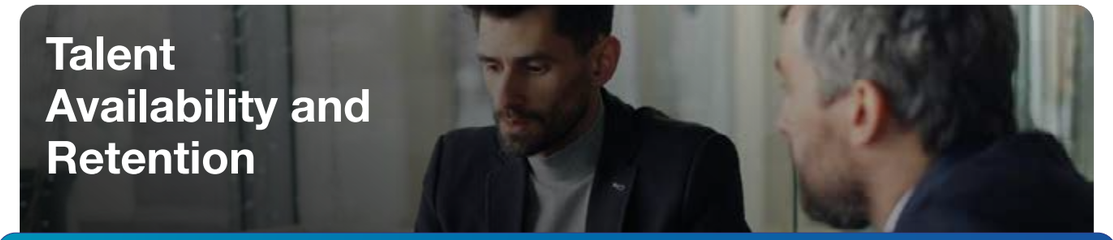
- Workplace injuries or illness can cause production disruptions
- May lead to regulatory penalties or legal liability
- Affects employee trust and long-term workforce stability

Mitigation

- Rolled out a safety performance index across locations
- Conducting regular safety audits, Gemba walks, and third-party assessments
- Upgraded EHS guidelines and emergency response training

Risk Management

Talent Availability and Retention



Attracting and retaining skilled professionals is critical to sustaining growth, innovation and delivery excellence. High attrition or lack of onboarding rigour can impact continuity

Capitals Affected

Impact

- Skill gaps may reduce efficiency and delay project timelines
- Hiring and training replacements increases operational cost
- Can reduce institutional knowledge and team cohesion

Mitigation

- Structured career development and mentorship programmes
- New communication platforms for transparent feedback loops
- Recognition-based engagement initiatives introduced

Geographical Expansion



Expanding across global markets brings growth opportunities but also exposes the Company to new compliance, operational, and strategic risks.

Capitals Affected

Impact

- Regulatory differences may delay market entry
- Logistical and compliance challenges in new territories
- Increased resource allocation for partner and market evaluation

Mitigation

- Continued focus on RoW and Europe with a structured approach to partnership evaluation
- Ongoing assessment of product portfolio and regulatory requirements in target markets
- Strengthened local partnerships to support market access and supply continuity

Data Security and Technological Risk



Increased digitalisation and global exposure have elevated the risk of cyber incidents, data loss and technology downtime

Capitals Affected

Impact

- Potential loss of proprietary research or compliance data
- Business continuity disruption and reputational risk
- Financial losses through ransomware or regulatory penalties

Mitigation

- Cybersecurity protocols, data backup systems, and DLP tools implemented
- Regular training for all teams on phishing and cyber hygiene
- Business continuity and recovery plans in place and tested

Evolving Geopolitical Developments



Shifting trade regulations and geopolitical risks may impact business continuity, particularly in export markets and supply chains.

Capitals Affected

Impact

- Changes in import tariffs or regulatory directives may affect cost and market reach
- Increased scrutiny on pharmaceutical exports from India
- Disruptions in global supply chains and procurement

Mitigation

- Closely tracking changes in regulatory landscape, particularly in the USA
- Evaluating potential impacts on existing product portfolio and market presence
- Building supply chain resilience and diversifying market focus

Governance

Setting the strategic direction for a stronger tomorrow

The Board of Directors at Granules India sets the overall vision, strategic direction and long-term objectives of the Company. It provides oversight on financial and operational matters, while regularly reviewing the performance of senior management. The Board ensures that Granules is managed in accordance with applicable laws, and its internal policies and governance framework.

While the Board approves key policies and procedures, the day-to-day operations are led by the senior management team in alignment with the guidance and strategic intent set by the Board. The roles and responsibilities of the Board and senior management are clearly defined and periodically reviewed to ensure effective governance and accountability.

3
Women Directors

6
Independent Directors

98.6%
Board
Meeting Attendance

Skills and Expertise of Our Board of Directors

Leadership and Strategic Planning | Industry Experience | Global Business | Operations and Research & Development | Finance | Human Resources


Dr. Krishna Prasad Chigurupati


Dr. KVS Ram Rao


Mrs. Uma Devi Chigurupati


Mr. Harsha Chigurupati


Mrs. Priyanka Chigurupati


Mr. Kolli Basava Sankar Rao


Mr. Arun Sawhney


Dr. Saumen Chakraborty


Mrs. Sucharita Rao Palepu


Mr. Kapil Kumar Mehan


Dr. Sethurathnam Ravi

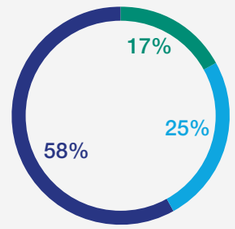

Mr. Rajiv Pritidas Kakodkar

Board Composition

Our Board comprises industry experts with diverse backgrounds, who offer us valuable insights into our diverse business practices. With a long-term vision, the Board consistently creates value for our stakeholders. As the apex governing body, the Board ensures regulatory compliance and provides strategic guidance across economic, social and environmental aspects.

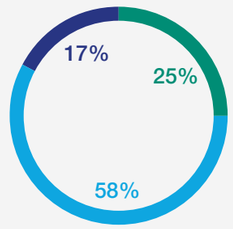
Age Diversity

- <45 years
- 45-60 years
- >60 years

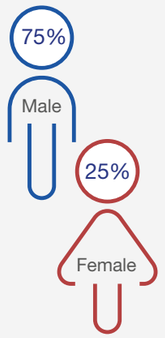


Years of Experience

- <20 years
- 20-40 years
- >40 years



Gender Diversity



Governance

Board Committees

The governance structure is strengthened through dedicated Board-level committees, each tasked with specific responsibilities to ensure focused oversight across key areas. These committees operate with defined mandates and meet regularly to address specialised subjects that require detailed attention and expert insight.

Comprising members of the Board with relevant expertise, each committee contributes to informed and balanced recommendations that support effective decision-making. This structure enables deeper and expansive discussions at the committee level, helping the Board navigate complex issues with clarity.

(C) Chairman (M) Member

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer and Stakeholders Relationship Committee
- Sustainability & Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- Business Review Committee

Dr. Saumen Chakraborty (C) (M)	Mr. Arun Sawhney (M) (C) (M)	Dr. Sethurathnam Ravi (M) (M)	Mrs. Sucharita Rao Palepu (M)
Dr. Krishna Prasad Chigurupati (M) (M) (M) (M) (M)	Mr. Kapil Kumar Mehan (M) (C) (C)	Mrs. Uma Devi Chigurupati (M) (C)	Mr. K.B. Sankar Rao (M) (C)
Mrs. Priyanka Chigurupati (M)			
Mr. Rajiv Pritidas Kakodkar (M) (M)			
Dr. KVS Ram Rao (M)			

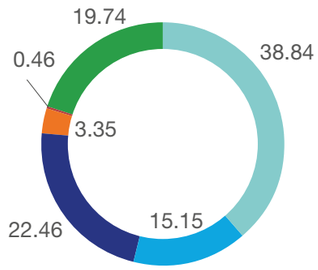


Shareholding Pattern

As of 31 March 2025, Granules India's shareholding pattern reflects a balanced distribution across investor categories. This structure supports long-term stability and sustained market confidence.

Percentage of Shareholding (%)

- Promoter & Promoter Group
- Foreign Portfolio Investors
- Mutual Funds, Insurance Companies, NBFC etc.
- Bodies Corporate
- HUF
- Individual Shareholders



(% of equity as of 31 March 2025)

Ethics, Compliance and Integrity

Our governance framework is built on a strong compliance culture that aligns with regional and national regulations. We work towards aligning our operations with ESG standards, ensuring that ethical conduct and regulatory adherence go hand in hand with our long-term sustainability goals.

Code of Conduct

The Code of Conduct at Granules India reflects the values and principles that guide our organisation. It applies to all employees, officers and members of the Board and provides clear direction for responsible decision-making across our operations. Rooted in integrity and ethical behaviour, the Code is supported through structured training and regular awareness sessions.

It shapes

- How we carry ourselves professionally
- How we treat and respect one another
- How we interact with the communities around us
- How we uphold compliance and drive sustainable business practices

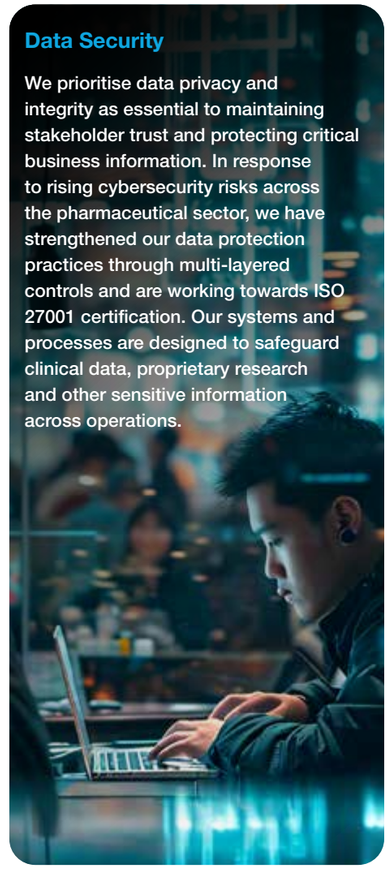
Policies and Procedures

At Granules, our focus on operational excellence and responsible growth is guided by a well-defined set of policies and frameworks that shape our conduct across functions and geographies. They support consistent, principle-based decision-making, reinforce our strategic direction, and help nurture a culture rooted in transparency, accountability and respect for all our stakeholders.

- Code of Conduct for Board and Senior Management Personnel
- Code of Conduct for Prohibition of Insider Trading
- Code of Practices and Procedures for Fair Disclosure
- Code of Business Conduct
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Performance Evaluation and Remuneration Policy
- Policy on Material Subsidiaries
- Related Party Transactions Policy
- Risk Management Policy
- Vigil Mechanism & Whistle Blower Policy

Data Security

We prioritise data privacy and integrity as essential to maintaining stakeholder trust and protecting critical business information. In response to rising cybersecurity risks across the pharmaceutical sector, we have strengthened our data protection practices through multi-layered controls and are working towards ISO 27001 certification. Our systems and processes are designed to safeguard clinical data, proprietary research and other sensitive information across operations.



Governance

Sustainability Governance

At Granules, achieving our sustainability objectives requires structured coordination, accountability, and alignment across all levels of the organisation. We have implemented a comprehensive Sustainability Governance Framework that supports long-term value creation, aligns ESG priorities with our business strategy, and enables effective execution across functions and sites.

Our governance structure follows a three-tier model, each level having defined responsibilities to ensure an integrated and consistent approach to managing Environmental, Social and Governance (ESG) performance.

Induction and Capacity Building

To support consistency across the framework, we have introduced an induction programme that familiarises all relevant team members with our sustainability vision, material topics, governance structure, and performance expectations. This helps ensure alignment from the Boardroom to the shop floor.

A Structured and Impact-Oriented Governance Model

Granules' three-tier governance framework promotes clarity, accountability, and responsiveness. With the Board defining direction, management ensuring execution, and plant teams delivering outcomes on the ground, the model enables integration of sustainability across the business, supporting continuous improvement and long-term value for all stakeholders.

Tier 01

Sustainability and Corporate Social Responsibility Committee (Board Level)

Meeting Frequency

Half-yearly

Composition

Chairman & Managing Director, Executive Director, Independent Directors

At the top of the framework is the Board-level Sustainability and CSR Committee, which provides strategic direction and integrates sustainability into the company's core vision and organisational purpose.

Key Responsibilities

- Embedding ESG into decision-making processes
- Aligning sustainability with the company's purpose and long-term business outlook
- Identifying ESG-related risks and opportunities and guiding mitigation strategies
- Supporting business continuity amid changing regulatory and stakeholder expectations
- Reviewing ESG performance and setting improvement goals

Tier 02

Executive Management Team

Meeting Frequency

Quarterly

Chairperson: Joint Managing Director & Chief Executive Officer

Convener: Chief Strategy & Sustainability Officer

This team acts as the link between strategic planning and operational execution. It is responsible for translating Board-level guidance into actionable roadmaps and monitoring performance across the organisation.

Members Include

- Chief Financial Officer
- Head of Sourcing and Supply Chain
- Head of API Operations
- Head of FD Operations
- Chief Human Resource Officer
- Head of EHS
- Head of Legal
- Head of Marketing
- Head of IT

Core Functions

- Developing sustainability roadmaps based on strategy
- Tracking ESG metrics and progress on key initiatives
- Ensuring cross-functional alignment and timely implementation
- Conducting quarterly reviews and suggesting corrective actions where required

Tier 03

Plant-Level Execution Teams

Meeting Frequency

Monthly

Chairperson: Plant Heads

Convener and Co-Convener: Head of Engineering and Plant Head of EHS

Invited Members: Head of API/FD Operations, Chief Strategy & Sustainability Officer, Corporate Head of EHS

Execution teams at the plant level are responsible for integrating sustainability into day-to-day operations. These cross-functional groups work collaboratively to implement and track local ESG actions in line with the overall strategy.

Members Represent

- Engineering and Projects
- Production and Manufacturing
- Procurement and Supply Chain
- EHS
- Human Resources
- Corporate Sustainability Team
- Other departments as required

Key Responsibilities

- Implementing ESG initiatives at the site level
- Monitoring progress using dashboards and monthly scorecards
- Identifying operational challenges and providing timely inputs to management

Governance

Board of Directors



Dr. Krishna Prasad Chigurupati
Chairman & Managing Director

Dr. Krishna Prasad Chigurupati is the Chairman and Managing Director of Granules India Limited. Under his leadership, the organisation has transformed itself into one of the largest pharmaceutical manufacturing Companies.

His pharmaceutical journey started in 1984 with the manufacturing of Paracetamol for quality-conscious customers in the global markets. He pioneered many innovations in pharmaceutical manufacturing, including commercialising Pharmaceutical Formulation Intermediates as a cost-effective product for global finished dosage manufacturers.

Dr. Prasad, with his passion for innovation, undertook research in process chemistry and filed 33 patents, out of which 5 patents were granted so far. He also ventured into setting up facilities across the continents in cities and countries such as China and the US. He was awarded an Honorary Doctor of Science by GITAM Deemed University for his exemplary contribution to science & society. Dr. Prasad is an avid marathon runner and has participated in many marathons across the globe. In 2010, he along with his wife, Mrs. Uma Devi Chigurupati, ran marathons on all seven continents including Antarctica and the North Pole. In 2015, they completed the 'World Marathon Challenge' of running seven marathons on seven continents in seven days. Both these achievements have been recognised by the Guinness Book of World Records. He is a passionate wine connoisseur and is the co-founder of KRSMA. The vineyard and the winery are located near Hampi. Today the wine from this vineyard is recognised worldwide and has put Hampi Hills and India on the world wine map. Dr. Prasad is the President of the Hyderabad Chapter of Swarna Bharat Trust, an NGO involved in the holistic improvement of the face of rural India, in the fields of Health, Education, Employment and Human Development.



Dr. K.V.S. Ram Rao
Joint Managing Director & Chief Executive Officer

Dr. K.V.S. Ram Rao holds a bachelor's degree in chemical engineering from Osmania University, Hyderabad and Master's & Ph.D. in Chemical Engineering from the Indian Institute of Science, Bangalore.

Dr. Rao has more than three decades of experience in the field of Manufacturing, R&D, Business Development and Commercial operations. Prior to Granules, Dr. Rao worked as the Executive Director &CEO for CSM Business of PI Industries Limited. He played a significant role at Dr. Reddy's while working in various capacities from 2000 to 2018. He also worked with Jubilant Life Sciences and Gujarat Heavy Chemicals Ltd.

Dr. Rao is well known for making high-stakes business decisions and solving complex challenges, while building a strong leadership team. He established innovative business models to drive the growth agenda of the company while instituting good manufacturing and R&D systems. He also built best-in-class practices in environment, health &safety and nurtured diversity & inclusion. He possesses sharp business acumen, deep market knowledge& industry network, strong leadership skills and well-grounded principles of governance & ethics.



Mrs. Uma Devi Chigurupati
Executive Director

An entrepreneur, a successful businesswoman, a sportsperson, and a two-time Guinness Book of World Record holder, Mrs. Uma Devi Chigurupati is also the Executive Director of Granules India Limited. She spearheads the Corporate Social Responsibility and Human Resources functions in the Company. A post-graduate in Soil Microbiology from Nagarjuna University, she holds more than three decades of experience in Pharmaceuticals across various corporate functions.

Mrs. Chigurupati has been the Chairperson of FICCI FLO Hyderabad. During her tenure, she has taken up many initiatives to empower women at both the grassroots and white-collar levels.

Mrs. Chigurupati is also Director of KRSMA Estates Private Limited, one of India's premier boutique wineries. Under her tenure, she has established the vineyard in the Hampi Hills of Karnataka and has been vital to the ongoing operations at the site.



Mr. Harsha Chigurupati
Executive Director

Mr. Harsha Chigurupati holds a bachelor's degree of science in Business Administration from Boston University, USA. He has two decades of entrepreneurial experience in marketing, product development, customer relationship management & operations. He also has in-depth knowledge and experience in various fields of research and development, clinical trials, regulatory and legal framework navigation, patents, and peer-reviewed journal publications.

Mr. Chigurupati has been with Granules since 2005 in various capacities. He was instrumental in commercialising the Company's Finished Dosage Division and transitioning the Company's customer base towards brand loyalists. As an Executive Director, he is responsible for the standalone Operations and P&L of the Company.



Mrs. Priyanka Chigurupati
Executive Director

Mrs. Priyanka Chigurupati, Executive Director, Granules India Limited, is responsible for Global Sales & Marketing and Portfolio amongst other roles in the Company. She has been with Granules for over 14 years and has served in various capacities across multiple divisions. She is currently also serving as Director at Granules Pharmaceuticals Inc., where she served as Executive Director from 2017-2024.

Priyanka holds a Bachelor of Science in Business Management from Case Western Reserve University in Cleveland, Ohio, and has an Executive Leadership degree from Harvard Business School, Boston, Massachusetts.

Governance



Mr. K. B. Sankar Rao
Non-Executive, Non-Independent Director

Mr. K. B. Sankar Rao is an M. Pharm from Andhra University and has rich experience of more than three decades in various domains including manufacturing, projects, supply chain, quality, R&D and business strategy. Mr. K. B. Sankar Rao was associated with various reputed organisations like Warner Hindustan, Cipla and Dr. Reddy's.

He led large teams in manufacturing while institutionalising systems and processes to drive efficiencies. He was involved in the implementation of 'Theory of Constraints' principles to improve due date performance in R&D. He was instrumental in deploying a self-managed team concept to empower the workforce in manufacturing while driving productivity. Mr. K.B. Sankar Rao was the Managing Director of Raje Retail Private Limited, a pharmacy retail chain under the brand name "My Health Pharmacy" in Hyderabad.



Mr. Arun Sawhney
Independent Director

Mr. Arun Sawhney holds a bachelor's degree in commerce from the University of Mumbai and a Post Graduate Diploma in Management from IMI, New Delhi. Mr. Sawhney brings four decades of rich experience in the Chemical and Pharmaceutical industry while working with Companies like Ranbaxy, Dr Reddys and Max-Gb Limited.

Mr Sawhney possesses deep expertise in the areas of corporate strategy, business development, sales and marketing and new product planning to commercialisation. In his last assignment as CEO and Managing Director of Ranbaxy, Mr. Sawhney successfully led one of the largest mergers in Indian Corporate history.

Mr. Sawhney was also a founder member of the Indian Pharmaceutical Export Promotion Council (Pharmexcil) and was Chairman of the Pharmaceutical Committee of the Confederation of Indian Industries (CII) during 2012-2014. Mr. Sawhney is currently engaged with leading Companies in an advisory capacity and as a visiting faculty at IIM-Lucknow for subjects of Leadership and Organisation Behaviour.



Dr. Saumen Chakraborty
Independent Director

Dr. Saumen Chakraborty is a Graduate in Physics from Visvabharati University-Santiniketan, a Postgraduate in Management from the Indian Institute of Management (IIM)- Ahmedabad and is an Executive Fellow in Management from the Indian School of Business (ISB)-Hyderabad. He possesses over four decades of rich experience in Corporate Finance, Human Resources, IT& BPE, Manufacturing Operations and Quality functions while working with Dr. Reddy's, Tecumseh, Eicher, C-DoT and CMC.

He had played a significant role in the evolution of Dr. Reddy´s as a Global Pharmaceutical Company, while handling various CXOs roles over 20 years. As a Global CFO at Dr. Reddy's, he built robust financial systems and strong corporate governance thereby enhancing shareholders value. Dr. Saumen as Global Chief of HR, built contemporary HR processes and systems to make Dr. Reddy's a Great Place to Work. He established the Business Process Excellence function and led TOC implementation in Dr. Reddy's.

Saumen has sharp business acumen, strong process orientation and leadership capabilities to build high-performing teams. He is the recipient of the Best CFO award from various bodies, including CNBC, IMA and BW-Yes Bank. He has been a speaker at multiple global and national conferences and academic institutes. He serves as an Independent Director for Krishna Institute of Medical Sciences Limited. He is the founder and Managing Director of Samarjita Management Consultancy Private Limited



Mrs. Sucharita Rao Palepu
Independent Director

Sucharita Rao Palepu is a Chartered Accountant and possesses over three decades of professional experience in Information Technology and Financial Services Industries. She is currently an Independent Advisor, specialising in Organisation & HR Transformation.

She was earlier in HR Leadership positions at Tech Mahindra, Infosys and Mahindra Satyam and was also associated with SMIFS Capital Markets & Pennar Paterson Securities.

She has worked extensively on HR Strategy, Talent Management, Learning & Development, Global Reward programs and Diversity initiatives. Over her career in HR, she has led several transformation programs and large-scale initiatives that have been recognised across various platforms. She is actively involved in a few NGOs and is also a certified coach. She was awarded the Exemplary Woman in Leadership Award (APAC) in HR Branding Awards 2015-16.

Governance



Mr. Kapil Kumar Mehan
Independent Director

Kapil Kumar Mehan is an accomplished business leader with deep managerial, domain and strategic expertise in the areas of Agri/Agri tech sectors, green technology (green ammonia), business strategy, management, business performance improvement, setting up a new business and strategic/financial investments in the manufacturing/ Agribusiness sectors.

He has keen insights into business and policy/ regulatory dynamics of the Agri and green chemistry industries. With his vast exposure across fertiliser, chemicals, consumer products and the agriculture industry globally, he is providing advisory and expertise across varied consulting assignments with industry (covering Indian and African markets) and marquee consulting firms such as E & Y, BCG, etc. A graduate of Veterinary Sciences and animal health, a Postgraduate in Management-SPA from the Indian Institute of Management (IIM)-Ahmedabad and has completed the Advanced Management Program from Harvard Business School.

He has experience in multiple Industry verticals such as fertilisers, Crop Protection Products, Seeds, and Agri Input retail, Fresh Produce Supply Chain, Industrial Chemicals, Consumer Products and Cement. Prior to the current advisory role, during his tenure in the industry, he has served in the capacity of Group Chief Executive Officer- Agribusiness of Adventz Group, as Managing Director of Coromandel International Limited in the Fertiliser industry and as an Executive Director in Tata Chemicals Limited. Key initiatives/ activities handled in his role with Industry encompass Acquisitions, Mergers and Post Merger integration, Business transformational interventions, new business development / Inorganic growth, Brownfield expansions with direct involvement in EPC / EPCM, Technology contracts, overseas and local strategic sourcing tie-ups.

He is an active participant in key industry bodies at the National and International levels, including the Fertiliser Association of India (FAI), the International Fertiliser Association (IFA), the National Agriculture Council of Confederation of Indian Industry (CII), Chairman of Agricultural Committee of Northern Regional Council of CII, etc. He has been the past Chairman of the Alkali Manufacturers Association of India and the Salt Producers Association, Co-Chairman of FAI, and Chairman of the Marketing Committee of FAI. He has served on the Board of the International Fertilisers Association (IFA) and Chaired its Agriculture Committee. He has led many industry-level advocacy efforts for a healthy enabling policy framework for growth, sustainability, ease of doing business and meeting the requirements of multiple stakeholders in the fertiliser sector. He serves on the Board of Directors, as an Independent Director of Nuziveedu Seeds Limited & Punjab Chemicals and Crop Protection Limited.



Dr. Sethurathnam Ravi
Independent Director

Dr. Sethurathnam Ravi has a doctorate in finance and is a practising Chartered Accountant, having over 36 years of experience. He holds a diploma in Information Systems Audit (DISA) and is an Associate Member of the Association of Certified Fraud Examiners (CFE), USA. He is also registered as an Insolvency Resolution Professional. He is the Founder of Ravi Rajan & Co. LLP, a chartered accountancy firm specialising in Forensic and Insolvency assignments, Finance & Management, Turnaround Strategies, Business Valuations, Brand and Share Valuation, Assurance, Audit and Taxation. Dr. Ravi is Chairman of Tourism Finance Corporation of India Limited, Spacenet Enterprises India Limited and 360 One Asset Management Limited. He also serves on the Boards of Aditya Birla Health Insurance Company Limited, Aditya Birla ARC Limited, Aditya Birla Money Limited, PCBL Chemicals Limited, Usha Martin Limited, BillMart Fintech Limited, Xander Advisors India Private. Limited., Usha Martin UK Limited. and S Ravi Financial Management Services Private Limited.

He has served as the Chairman and Director of BSE Ltd and Chairman and Director of UTI Trustee Company Private Limited. Dr. Ravi was the Jury Chair for ICAI's Awards for Excellence in Financial Reporting 2023-24, was a Special Invitee to ICAI's Strategy Perspective Planning and Monitoring Committee (SPPMC), he was a member of SEBI's Takeover Panel as well as its Mutual Fund Advisory Committee. He was also a Member of the Working Group formed by the Reserve Bank of India for the preparation of the Draft Government Securities Regulations within the Framework of the Government Securities Bill 2004. Over the span of his career, Dr. Ravi has served on the Boards of more than 45 Companies across various sectors. He is regularly invited by educational institutions and regulatory bodies to give talks, panel discussions, etc.



Mr. Rajiv Pritidas Kakodkar
Independent Director

Mr. Rajiv Pritidas Kakodkar has over four decades of experience in the Indian pharmaceutical industry. He holds a Bachelor of Pharmacy degree from the University of Mumbai, and an MBA from the Stuart School of Business - Illinois Institute of Technology, USA. Mr. Kakodkar's areas of expertise include global sourcing, indenting, trading and distribution of pharmaceutical ingredients. He founded Daiwat Chemicals in 1983 which began as an exclusive representative and indent sales agent of a French multinational. Over the decades, he has been involved in the sourcing of drug substances from India on behalf of multiple innovators and generic pharmaceutical Companies, as well as worldwide distributors of APIs.

Through this long association with the industry, he has had a first-hand view of its evolution from technocrat-driven single-product factories to world-class, multi-workshop facilities with all the requisite regulatory approvals. He owns and operates businesses in India and Singapore. He also served as an Independent Director on the Board of Directors of Indoco Remedies Limited and Vasundhara Rasayans Limited.

Governance

Management Team



Dr. Krishna Prasad Chigurupati
Chairman & Managing Director

read bio on Page 50



Dr. K.V.S. Ram Rao
Joint Managing Director & Chief Executive Officer

read bio on Page 50



Mrs. Uma Devi Chigurupati
Executive Director

read bio on Page 51



Mr. Harsha Chigurupati
Executive Director

read bio on Page 51



Mrs. Priyanka Chigurupati
Executive Director

read bio on Page 51



Mr. Mukesh Surana
Chief Financial Officer

Mukesh is a Chartered Accountant by qualification and a seasoned finance professional with over two decades of global experience. He has rich experience in the areas of finance, taxation, transformation, risk management, projects management, mergers and acquisitions, investor relations, legal, secretarial, commercial, procurement, and IT. In the past he has worked with reputed organizations including Garware Technical Fibers, Kalpataru Power Transmission, Asian Paints and SRF. He is recognized as top CFO by various bodies including Business World, CEO Insights, White Page International, StartupLanes and CFO India.



Dr. P.V. Srinivas
Chief Technology Officer

Dr. Srinivas holds a distinguished Ph.D. in Organic Chemistry from Osmania University and a Post-Doctoral degree from the University of Mississippi, USA.

He comes with over 30 years of experience in R&D and Portfolio selection, synthetic chemistry, fermentation technology, and downstream processing. He was responsible for developing various projects, scaling them, and commercializing them. He has expertise in generic API development and end-to-end execution of projects from conceptualization to commercialization. Dr. Srinivas has filled more than 100 patents and has 53 paper publications. He is a fellow of the Royal Society of Chemistry. He has worked with organizations including PI Industries, IICT, Biocon, and Cipla in his earlier assignments.



Mr. Sanjay Kumar
Chief Strategy & Sustainability Officer

Sanjay holds a B. Tech degree from IIT Kanpur and an MBA from IIM Bangalore (Merit list holder). He has completed the Chartered Finance Analyst program from CFA Institute, USA and has attended management program at Stanford Graduate School of Business. With over 20 years of experience, Sanjay specializes in Corporate and Business Strategy, Identifying growth opportunities, Investor Relations, Budgeting & Planning, Financial Modelling, Developing Business Case and Valuation. He has worked closely with senior leadership teams in various Organizations to enable decision-making and execution of key programs.

At Granules India Limited, Sanjay leads Corporate Strategy and Sustainability, and is responsible for Identifying growth levers and new business opportunities, Building organization capabilities for a future ready organization, and Strategic Planning. He was earlier associated with organizations such as Viatris (formerly Mylan), Granules India, Wanbury, and Indian Engineering Services.

Governance



Mr.Rajesh Kapoor
Global Head- Quality

Dr. Rajesh Kapoor holds a Ph.D. in Biochemistry from the University of Lancaster, a B.S. from the University of Essex, and an MBA from Suffolk University, Boston. With over 35 years of experience at organisations including P&G, Wyeth, Takeda, Genzyme, and Sun Pharma, he specialises in QA/QC, aseptic processes, technology transfer, validation, and clinical quality. He has led quality functions across manufacturing and R&D, implemented cGXP systems, managed vendors and regulatory submissions, and hosted inspections by agencies such as the FDA, ANVISA, TGA, and MHRA. In 2022, he joined Granules Pharmaceuticals, Inc. as Head of Quality for North America. As Global Head of Quality, he now oversees and harmonises quality systems across all Granules sites.



Mr. Manikandan Ramalingam
Senior Vice President & Head Formulation R&D

Mr. Ramalingam is a pharmaceutical technologist with 25 years of experience and holds M. Pharma Tech from NIPER (Mohali) and a Master black belt in Six Sigma. In his long career, he had provided technical, strategic, and functional leadership in uniquely challenging positions in pharmaceutical research. Mr. Ramalingam had worked at Sun Pharma and Dr. Reddy's before joining Granules India Limited. He served as functional head of product development research and subject matter expert for formulation at Dr. Reddy's. He has expertise in API assessment for FD design and API-FD integration, pre-formulation, and formulation design (different types of dosage forms), biopharmaceutics and pharmacokinetics, new technology adoption and product scale up and manufacturing. He has expertise in leading cross-functional research team, change management, training and team building, regulatory risk management, product selection assessment, and contract research management, thereby ensuring successful transition of products from ideation to market.



Mr. Ramraj Rangarajalu
President And Head - Formulations Operations

Ramraj Rangarajulu holds an M.Pharm degree from the Tamil Nadu Dr. MGR Medical University. He brings nearly three decades of expertise in formulation manufacturing, plant management, quality and regulatory compliance, operational excellence, new product scale-up, and product launches. Throughout his career, Mr. Rangarajulu has worked on various dosage forms, including oral solid dosage (OSD), small volume parenteral, and topical formulations, at leading pharmaceutical companies such as Zydus Life Sciences, Granules India Limited, Aurobindo Pharma, and Dr. Reddy's Laboratories. At Granules Ramraj will oversee the formulation manufacturing sites in India.



Dr. Baskaran PN
President & Head - Api Operations

Dr. Baskaran PN holds a Doctorate in Chemical Engineering from Annamalai University and brings over 30 years of leadership experience in API, PFI, and FD operations. He has vast experience in operations management, supply chain, engineering projects, EHS, operational excellence, automation, and regulatory compliance. Dr. Baskaran has held key leadership roles at various pharmaceutical and chemical companies, including Sekhmet, Lupin, Hetero, Granules, Cipla, and JK Pharma. He joined Granules on 2 April 2025 and is responsible for API manufacturing operations in India.



Mr. Atul Dhavle
Chief Human Resources Officer

Mr. Atul Dhavle is a strategist with exceptional execution skills. He possesses over 30 years of versatile experience in Organization Design & Change, Talent Management, building High- Performance teams, Organization effectiveness and Lean Management. He has led the organization-wide HR and Business transformation initiatives in Manufacturing, Product Development, Sales & Marketing creating significant business impact, while working in Companies like Bharat Forge, Granules, Dr. Reddy's, Welspun, DuPont and Mahindra. He is a Production Engineer from Nagpur University and holds a PGCBM from XLRI.

Awards and Recognition

In the spotlight



BW PharmaWorld Person of the Year Award 2024

Granules India's Chairman and Managing Director has been honoured for his exemplary leadership and transformative contributions to the pharmaceutical industry



Exemplary Leadership in Social Impact & Corporate Responsibility Award

Mrs Uma Chigurupati, Executive Director of Granules India Limited, was honoured at the India Philanthropy Summit 2025, hosted by EdelGive Foundation and HURUN INDIA. She also shared insights on Granules' purpose-led innovation as a speaker on the Philanthropists' Panel.



Golden Peacock Awards – Winner of Sustainability 2024

Granules India received the prestigious Golden Peacock Award for Sustainability at the Institute of Directors' Annual Global Convention in London, UK. Selected from 499 applicants, the award affirms Granules' position in advancing sustainable pharmaceutical practices.



CII CFO Excellence Award for the Pharma and Chemicals sector

Our Chief Financial Officer, Mr. Mukesh Surana has been honoured with the CII CFO Excellence Award for the Pharma and Chemicals sector at the 3rd edition of CII CFO Excellence Awards 2023-24



Silver Award at CII SR-EHS Excellence Awards 2024

Granules Life Sciences Private Limited received the Silver Award at the 17th CII SR-EHS Excellence Awards 2024, held in Chennai. The awards are an initiative of the Confederation of Indian Industry Southern Region.



49th CII National Kaizen Competition

Initiative of the Confederation of Indian Industry

Our team at Gagillapur won the Platinum Award in the Innovative Category for implementing a novel cyclone separator, effectively addressing low CFM issues in compression machines caused by clogged dust collector suction filters.

We also secured the Gold Award in the Renovative Category for our approach to minimizing black spots on tablets during compression.



Best Management Award 2025

Granules India has been honoured with the Best Management Award by the Telangana Government



Gold Medal at Red Cross Annual General Meeting

Granules India Limited was honoured with a Gold Medal for its impactful healthcare CSR initiative. The Dr Chigurupati Nageshwara Rao Rotary Dialysis Centre in Guntur has supported over 2,200 patients since its establishment in FY 2022–23.



Economic Times RE Pharma Award

Awarded Economic Times RE Pharma Award for "Excellence in Use of Technology."



CII 25th National Award for Excellence in Energy Management 2024

Recognised for excellence in energy efficiency and sustainable energy management practices



Valued Partner of Ashray Akruti

Ashray Akruti recognised its nearly two-decade-long association with Granules India, a partnership rooted in shared efforts to empower lives through healthcare and education. This collaboration began well before CSR became a regulatory requirement and continues to make a lasting impact.

Commitments

Our climate targets covering Near-term, Long-term, and Net Zero goals (2050 or sooner), aligned to 1.5°C pathway, have been validated and approved by SBTi

Committed for UNGC 10 Principles of Human rights, Labor, Environment, and Anti-corruption

Became a member of PSCI, committing to its principles for responsible and sustainable business practices.

Granules Gagillapur unit has cleared the C-TPAT (Customs Trade Partnership Against Terrorism | US. Customs and Border Protection) Audit with 84% score

Ratings and Certifications

Achieved a Gold rating in the EcoVadis Sustainability Assessment with 97% percentile, placing us in the top 5% of the participating companies

Achieved a “B” rating in the CDP Climate assessment, marking a two-level improvement from previous assessments

Placed on the CDP Supplier Engagement Rating (SER) A List for the 2024 cycle, with a score of A.

Certified as a Great Place to Work®

Achieved a score of 59 in the first S&P Global Corporate Sustainability Assessment

Retained BB ratings in MSCI ESG Ratings

Memberships and Associations

Bulk Drug Manufacturer Association of India (BDMAI)

World Economic Forum Center for fourth Industrial Revolution (C4IR) Telangana - Founding Member

Confederation of Indian Industry (CII)

The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)

National Safety Council of India

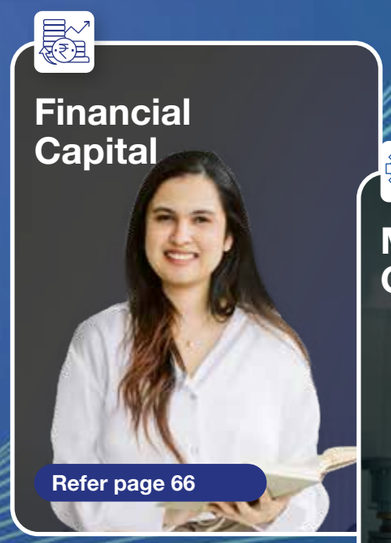
British Safety Council

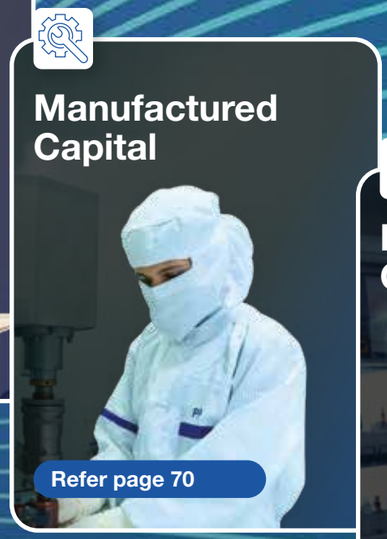
Partner Collaboration platforms

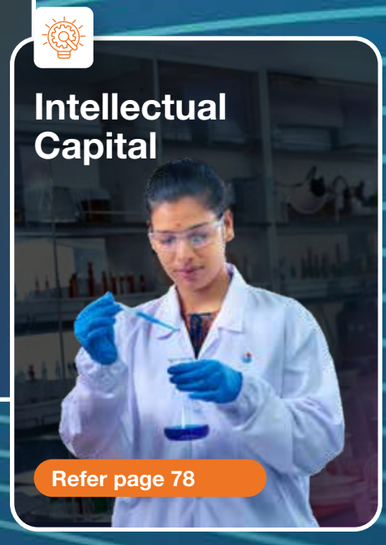
Capital Overview

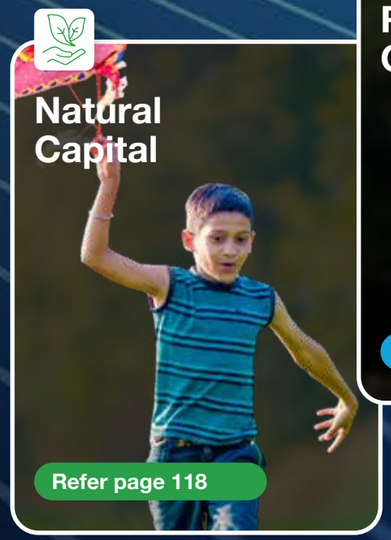
Integrated Thinking. Multi-Dimensional Growth.

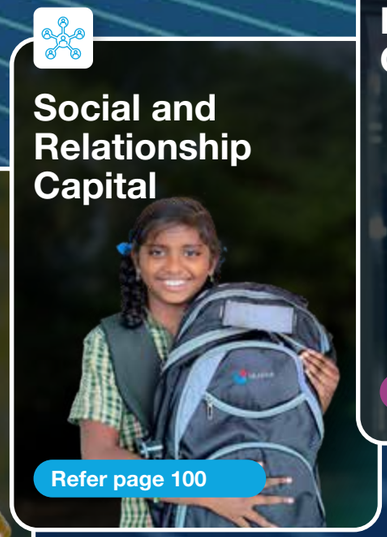
At Granules, value is cultivated through the dynamic interplay of knowledge, relationships, infrastructure, innovation and environmental stewardship. Our approach recognises the interdependence of tangible and intangible levers, driving outcomes that are structurally strong and strategically relevant. This perspective enables us to allocate resources, assess performance and scale impact with clarity and balance.

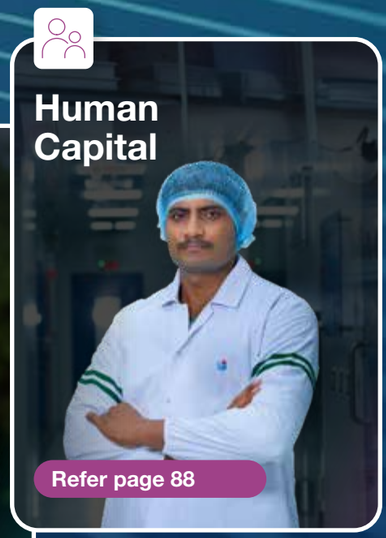












Financial Capital

Effective financial management supports our ability to scale innovation, expand manufacturing infrastructure and strengthen our global market presence. It enables sustained investment in R&D, development of margin-accretive product portfolios and advancement of backward integration initiatives. Through a disciplined approach to capital allocation and cost optimisation, we continue to deliver affordable, high-quality healthcare solutions, while creating long-term value for our stakeholders.



Key Highlights

Revenue

₹44,816 million
FY25

₹45,064 million
FY24

EBITDA

₹9,452 million
FY25

₹8,560 million
FY24

21.1%

Gross Margin

61.5%
FY25

55.1%
FY24

Operating Cash Flow

₹8,666 million
FY25

₹4,394 million
FY24

Net Debt

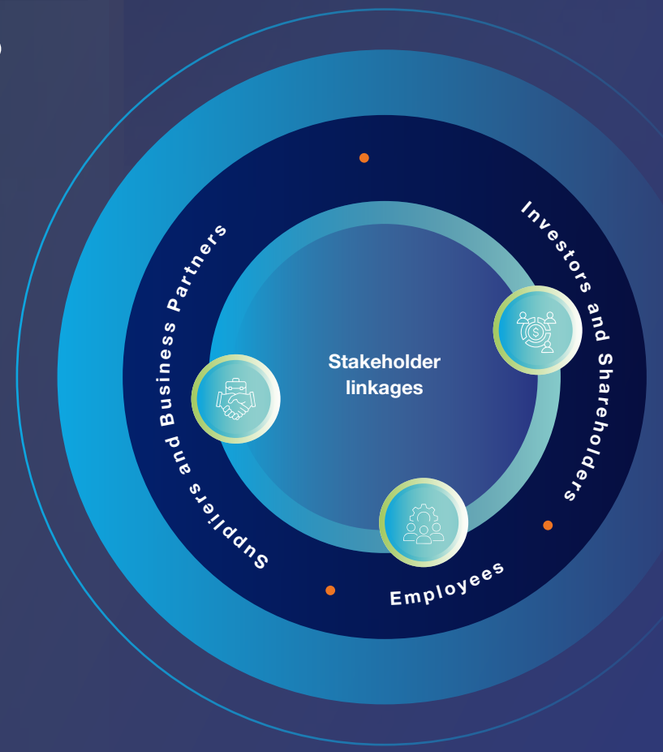
₹7,061 million
FY25

₹8,421 million
FY24

0.75x
Net debt/EBITDA

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Our Focus Area

- High-margin formulations
- Operational efficiency gains
- Strategic capital allocation
- Robust cash generation
- Prudent debt management

Financial Capital

In FY25, we delivered strong financial performance, effectively navigating pricing pressures and regulatory headwinds. While revenue remained stable, our strategic emphasis on high-margin formulations, cost optimisation and operational efficiency contributed to enhanced profitability and stronger cash flows.



Key Financial Highlights

Enhanced Margin Profile

We successfully shifted our portfolio toward high-value formulations, resulting in a notable improvement in gross and EBITDA margins. This margin expansion was achieved despite industry-wide pricing challenges and temporary production disruptions.

Stronger Cash Generation

Disciplines execution across operational efficiency initiatives, product mix optimisation and effective working capital management led to robust operating cash flows. This financial strength enabled reinvestment in R&D and growth initiatives.

Prudent Capital Allocation

We increased capital investments, especially in complex generics and peptide manufacturing infrastructure, while maintaining a conservative debt profile. This balanced strategy ensures sustainable growth without compromising financial stability.

Resilient Financial Performance

Despite external challenges, we delivered consistent topline performance. Higher contributions from differentiated, margin-accretive products and sustained cost control measures underpinned our overall profitability.

Disciplined Balance Sheet Management

Our financial prudence helped us reduce net debt and improve leverage ratios. This provided the flexibility to pursue future investments and expansion opportunities.

Revenue (₹ Mn)

FY 2024-25	44,816
FY 2023-24	45,064
FY 2022-23	45,119
FY 2021-22	37,649

Operating Cash Flow (₹ Mn)

FY 2024-25	8,666
FY 2023-24	4,394
FY 2022-23	7,387
FY 2021-22	3,321

Gross Margin (₹ Mn)

FY 2024-25	27,559
FY 2023-24	24,851
FY 2022-23	22,046
FY 2021-22	18,813

Gross Margin (%)

FY 2024-25	61.5
FY 2023-24	55.1
FY 2022-23	48.9
FY 2021-22	50.0

EBITDA (₹ Mn)

FY 2024-25	9,452
FY 2023-24	8,560
FY 2022-23	9,138
FY 2021-22	7,190

EBITDA Margin (%)

FY 2024-25	21.1
FY 2023-24	19.0
FY 2022-23	20.3
FY 2021-22	19.1

PAT (₹ Mn)

FY 2024-25	5,015
FY 2023-24	4,053
FY 2022-23	5,166
FY 2021-22	4,127

PAT Margin (%)

FY 2024-25	11.2
FY 2023-24	9.0
FY 2022-23	11.4
FY 2021-22	11.0

ROCE (%)

FY 2024-25	16.6
FY 2023-24	16.5
FY 2022-23	21.1
FY 2021-22	19.3

Asset turns (x)

FY 2024-25	1.54
FY 2023-24	1.77
FY 2022-23	2.06
FY 2021-22	2.02

Net Debt (₹ Mn)

FY 2024-25	7,061
FY 2023-24	8,421
FY 2022-23	7,671
FY 2021-22	6,966

Net debt/EBITDA

FY 2024-25	0.75
FY 2023-24	0.98
FY 2022-23	0.84
FY 2021-22	0.97

CCC Days

FY 2024-25	202
FY 2023-24	161
FY 2022-23	132
FY 2021-22	138

Capex (₹ Mn)

FY 2024-25	5,700
FY 2023-24	3,788
FY 2022-23	4,105
FY 2021-22	3,967

Manufactured Capital

Our manufacturing network supports scalable, cost-efficient and high-quality production across key global markets. Through continuous upgrades, vertical integration and the adoption of advanced digital systems, we enhance throughput, product reliability and operational resilience. Recent investments in our CNS and Genome Valley facilities further strengthened our infrastructure, aligning our operations with stakeholder expectations and the United Nations Sustainable Development Goals.



Key Highlights

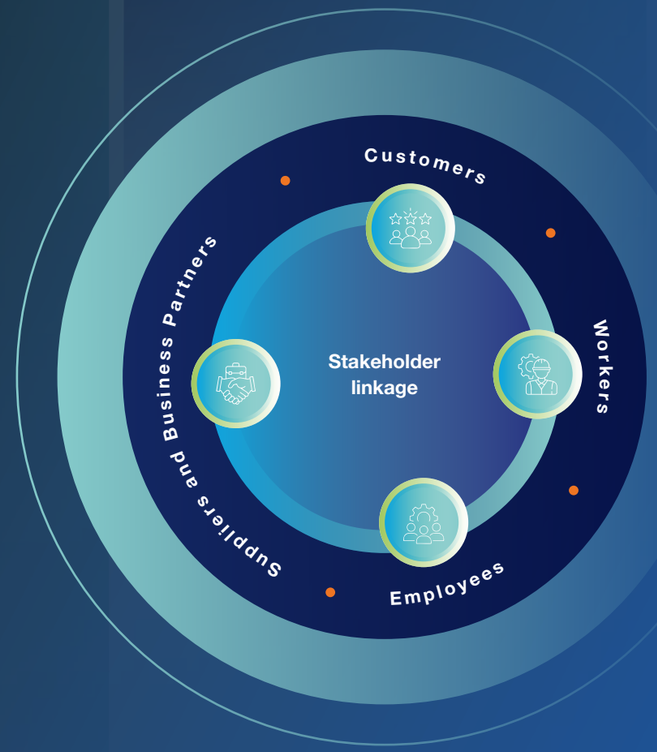
2.5 Bn dosages, scalable to 10 Bn
Operationalized new Genome Valley site

8
Manufacturing Units

100%
Coverage of all sites under internal audits and third-party compliance assessments

₹150 crore
Investment in strategic expansion of API capacity at unit V





Our Focus Area

- Manufacturing productivity
- Operational excellence
- Supply chain efficiency
- Quality and compliance
- Digital transformation

Manufactured Capital

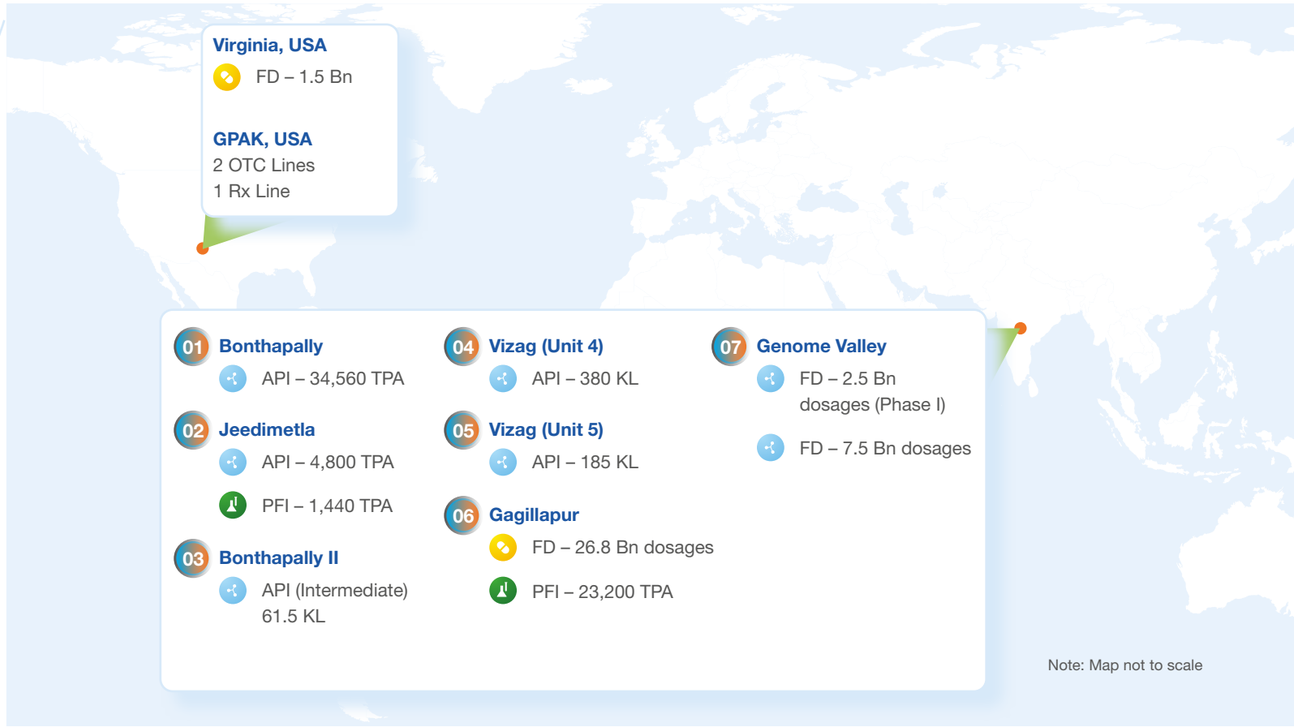
Enabling scalable, cost-efficient and resilient manufacturing

Our manufacturing model has evolved through consistent execution, strategic vertical integration and a sharp focus on cost efficiency. Centred around large-volume molecules and differentiated capabilities in complex formulations, our operations consistently deliver scale, reliability and quality. This robust foundation has enabled us to build and strengthen long-term partnerships with innovators, brand owners and retailers across global markets.



Advanced infrastructure across key geographies

Our manufacturing footprint spans India, the United States and Europe, encompassing a wide range of capabilities across APIs, PFIs, and finished dosages.



Note: Map not to scale

Productivity and throughput improvements

We continuously improve throughput and minimise downtime across key manufacturing lines by implementing targeted operational improvements:

- Bottlenecks eliminated in granulation, compression and packing processes
- Changeover times reduced by 20–30% through SMED (Single-Minute Exchange of Dies) practices
- Real-time dashboards deployed across production lines
- Predictive maintenance enabled via IoT (Internet of Things), reducing downtime by 40%
- Cycle time shortened by 18–22% and OEE (Overall Equipment Effectiveness) improved by 8–12%.



Manufactured Capital

Value-focused manufacturing systems

Value engineering has been embedded as a structured and ongoing practice across our manufacturing network. Packaging materials have been redesigned to optimise usage and reduce costs, supported by detailed cost-benefit analyses of materials and processes. Shopfloor zones have been upgraded through 5S, Kaizen and visual management tools to boost operational clarity and efficiency.

To foster a culture of continuous improvement, we have developed internal Lean Champions and certified Six Sigma Yellow Belts. Energy audits across facilities have informed targeted retrofits to lower energy intensity and enhance equipment performance.

₹150 Crore

Investment in strategic expansion of API capacity at unit V

This planned investment is intended to expand capacity and strengthen regulatory compliance in preparation for future global launches.



Sourcing, logistics, and people focused enhancements

Operational systems have been improved by refining sourcing strategies, adopting digital tools and reinforcing shopfloor discipline. Bulk sourcing initiatives reduce input costs and lower the environmental footprint.

The digital tool GLIM facilitates real time capture and resolution of operational abnormalities, while a zone-wise responsibility model enhances ownership and accountability across all plants. Employee engagement has been bolstered through regular shift-level townhalls and structured recognition programmes.

Commercial alignment with customer needs

Our commercial excellence programme enhances service delivery to priority accounts and addresses dynamic market demands.

Enhanced sales and operations planning alignment has improved delivery performance. Customer segmentation and tailored service models enable more responsive supply arrangements across key regions.

Genome Valley: operational and expandable

Our latest formulation facility at Genome Valley commenced operations in September 2024, adding an initial capacity of 2.5 billion dosages in Phase I. Designed for scalability, the facility is capable of expanding to 10 billion dosages, supporting a growing portfolio of high-volume and complex formulations.

Equipment upgrades for complex launches

We have strengthened our technical capabilities with specialised equipment for complex and high-volume manufacturing, including:

- Metoprolol bead tower
- KCL 8-column Wurster
- Bohle coater
- Sensum inspection system
- Tamprint machine
- ZRO 200T capsule filler

Built for Scale and Complexity

With established capabilities in MUPS (Multiple Unit Pellet System) oncology and controlled substances, our infrastructure meets stringent regulatory requirements and accommodates differentiated product needs, supporting both high-volume and complex production demands.



Manufactured Capital

Quality

A Systems-Based Approach to Quality and Compliance

We are advancing our quality systems through a structured, systems-based approach that aligns with evolving global regulatory expectations. Our focus is on building long-term, sustainable compliance by integrating robust governance, digital tools and a unified quality culture across all manufacturing sites.

Governance in Action

The Granules Steering Committee, chaired by the Global Head of Quality, oversees implementation of remediation plans and ensures all manufacturing sites align with strategic compliance goals.

Elevating Quality Across the Network

We are strengthening the quality culture across our manufacturing locations by harmonising systems, sharing best practices and empowering teams at all levels.

- Implementation of harmonised procedures across manufacturing sites
- Extension of best practices from across locations
- Introduction of zone-based ownership for targeted supervision
- Quality engagement sessions backed by reward and recognition programmes.



Elevating Quality Across the Network

We have partnered with external experts to guide post-inspection improvements and system enhancements. These collaborative efforts include:

01 Enhancements in cleaning validation, data integrity and investigation systems

02 Direct training for core teams, with structured cascade programmes to wider functions

03 Comprehensive document and procedural reviews aligned with updated compliance standards

04 Ongoing on-site support to ensure effective implementation.

Aligning Product Quality with Global Standards

Product quality is ensured through a robust GxP-compliant quality system that supports development, lifecycle control and continuous improvement. Our practices are designed to adapt to evolving regulatory frameworks and meet international standards.

Regulatory upgrades at Gagillapur

The voluntary remediation plan at Gagillapur continues to progress, under close cross-functional oversight. A dedicated task force, supported by third-party experts, tracks the execution of corrective actions. Performance indicators monitor progress and guide the plan's implementation in line with regulatory expectations.

Digital Transformation for Quality Management

To support Pharma 4.0 readiness, we are transitioning towards a digital-first quality ecosystem that ensures data integrity, traceability and operational efficiency. Key platforms include:

- Manufacturing Execution System (MES)
- Laboratory Information Management System (LIMS)
- Quality Assurance Management System (QAMS)
- Warehouse and Training Management Systems (WMS and TMS)



Pharma 4.0 Enablement

Our digital quality platforms empower teams with real-time insights and ensures compliance through automation and traceability. These tools reduce manual errors, enhance responsiveness and enable predictive, data-led decision-making.

Strengthening Compliance Oversight

We continue to strengthen quality oversight through robust internal governance and independent validation mechanisms. A central compliance team provides centralised oversight, supported by audit mechanisms and performance reviews. Key elements include:

- Oversight by a local compliance team
- Quality KPIs reviewed at the management level
- Internal audits informed by 483 trend analysis
- Periodic independent third-party assessments

Intellectual Capital

At Granules, we continue to advance pharmaceutical solutions through a combination of scientific depth, integrated operations and a strong emphasis on differentiated innovation. Supported by a strong R&D ecosystem and a growing team of skilled scientists, we are expanding access to high-quality, complex therapies. Our future-ready pharmaceutical platform is rooted in efficiency, scalability and precision.



Key Highlights

~405
Scientists across API & FD R&D

INR 2,377 mn
(+20% compared to FY24)
R&D Expenditure

127
Total Dossiers Filed Globally

85
(16 pending), including one sole FTF
U.S. ANDAs Filed

24 (8 pending)
Other Regions (incl. Canada)

119
Overall Patents/ Applications (10 Granted)

86
India

16
International Applications

7
US

18
(10 pending)
European Filings

10
Other Countries

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS



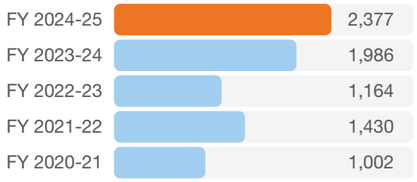
Our Focus Area

- Complex and differentiated products
- Scalable R&D infrastructure
- Global regulatory expansion
- Green and sustainable chemistry
- Integrated peptide platform

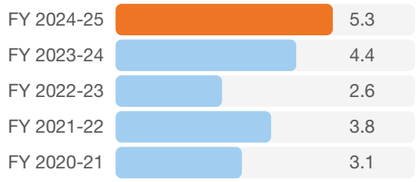
Intellectual Capital

For over four decades, we have advanced pharmaceutical manufacturing, with a growing emphasis on science-led product development. Our research strategy aligns with global trends and national policy priorities. Dedicated Centres of Excellence, sustainability-focused initiatives and academic partnerships are strengthening our capabilities to bring high-quality, differentiated products to market.

R&D Expenditure (₹ Mn)



R&D Exp % to Sales



Strategic R&D Infrastructure

Our research infrastructure has witnessed significant expansion in recent years, with the establishment of specialised facilities across key domains to accelerate product development and strengthen backward integration:

01

Integrated Product Development Facility, Genome Valley, Hyderabad:

This centre focuses on API and formulation development. With over 170 scientists working across multiple therapeutic areas, the facility shortens development timelines and improves integration.

02

Centre of Excellence, Pragathi Nagar:

This centre supports the development and scale-up of controlled substances and key starting materials.

03

Bio-Lab, Hyderabad:

This facility is enhancing our capabilities in enzyme technologies, fermentation and biotransformation, laying the groundwork for future-ready chemistry.

04

Innovation Hub, Pune:

This hub is developing in-house solutions for backward integration, particularly in key intermediates.

We have partnered with the **National Institute of Pharmaceutical Education and Research (NIPER)** to establish a Centre for Innovative and Sustainable Pharmaceutical Research. This supports industry–academia engagement in advancing research across emerging scientific domains.



R&D Pipeline and Innovation Strategy

Building a High-Value, Differentiated Pipeline

We continue to diversify our product development pipeline beyond high-volume generics to include differentiated, complex and high-margin offerings. We balance large-scale commercial opportunities with the development of specialised, technically challenging products. Key areas of pipeline expansion include:

- Development of exclusive, high-barrier products, such as NCE molecules for Day 1 launches
- Strengthening presence in oncology and ADHD therapeutic segments
- Entry into complex injectables, which represent among the highest revenue per unit in pharmaceuticals
- Expansion into the peptide space through Senn Chemicals, our Swiss-based CDMO acquisition
- Selective in-licensing and co-development partnerships to strengthen the medium-term pipeline

Marketing Authorization (MA) Filing Status

	Approved	Tentatively Approved	Filed	Total MAs
GPI IP				
USA	31	0	3	34
GIL IP				
USA	37	1	13	51
Europe	8	0	10	18
Canada	7	0	0	7
ROW	7	0	8	15
UK	2	0	0	2
Total	**92**	**1**	**34**	**127**



Intellectual Capital

Portfolio Expansion: On Strength Of Focused R&D Investments & Leveraging Our Core Capabilities

Future Portfolio

Onco Products

- Small molecule Onco
- Product pipeline including Day 1/ Day 181 opportunities, such as JAK inhibitor

Innovation based products

- Leveraging Enzyme and Cont. manufacturing platforms for Diabetes (gliptins/ gliflozins etc) and other categories

New Dosage Forms

- Non-Oral Solids products such as Liquids and Nasal Sprays

Peptides

- Acquisition of Switzerland-based Senn Chemicals AG and the establishment of Ascelis Peptides. We entered the fast-evolving domain of peptide-based therapeutics and CDMO

Our Legacy and our core portfolio

Core /Legacy Products

- Paracetamol
- Metformin
- Ibuprofen
- Guaifenesin
- Methocarbamol

Current Portfolio

Controlled Substances

- ADHD drug (e.g., Adderall IR & XR)
- Dexmethylphenidate & Methylphenidate
- Other CII products

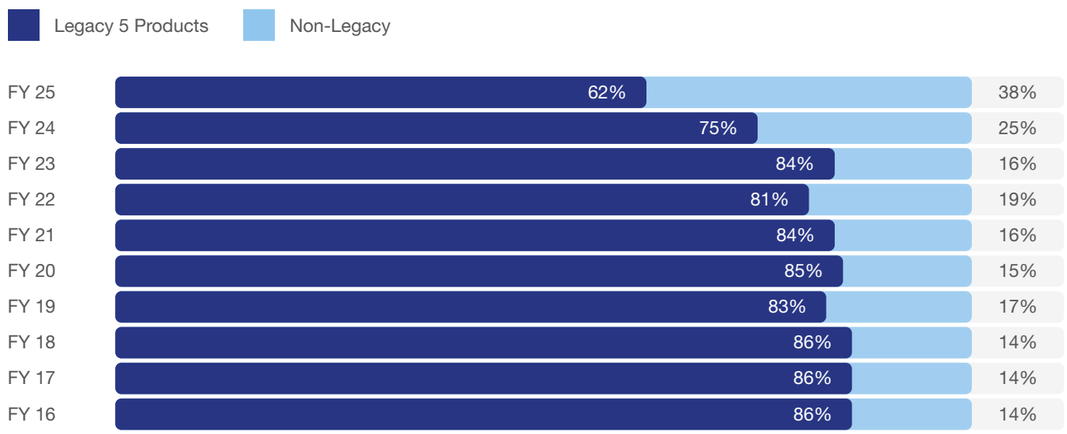
New Products (large Volumes)

- ADHD drug (e.g., Adderall IR & XR)
- Dexmethylphenidate & Methylphenidate
- Other CII products



Product Diversification

Revenue Share by Product Segment



Role of Granules Pharma Inc. in Complex Formulations

Granules Pharma Inc. (GPI), our U.S. subsidiary based in Chantilly, Virginia, is focused on developing extended-release, controlled-release, abuse-deterrent and paediatric-friendly dosage forms.

Key capabilities at GPI:

- A comprehensive R&D centre on formulation design, analytical development and QbD modelling
- End-to-end support for Para IV and Day 1 filings
- A 100,000 sq. ft. automated packaging facility, commissioned in 2023, to enhance efficiency and responsiveness in serving the U.S. market

Strengthening Our ADHD Franchise

ADHD remains a strategic focus for Granules. Our commercialised ADHD products, classified as Schedule II controlled substances, are developed and manufactured in full compliance with stringent DEA protocols and U.S. regulatory standards.

Key differentiators:

- End-to-end value chain control—from API manufacturing to final packaging in the U.S.
- In-house expertise in bioequivalence and release kinetics capabilities
- Advanced dosage formats including chewables and extended-release
- Pediatric-focused dosage innovations with limited market competition.

Innovative Complex Product Development at Our Virginia R&D Centre

Our R&D Centre in Chantilly, Virginia has become critical for the development of complex generics, serving the highly regulated U.S. market. Equipped with comprehensive, end-to-end capabilities, including formulation and analytical development, say in vitro in vivo correlation (IVIVC) capabilities, pilot-scale batch production and regulatory filings under both ANDA and 505(b)(2) pathways, the centre accelerates product development while maintaining the highest standards of quality.

Located near the U.S. FDA, the facility enables agile regulatory interactions and shorter development timelines, offering a competitive edge in the fast-paced generics landscape.

Key Areas of Focus:

- Novel delivery systems, such as bi-layer and multi-unit formats
- Paediatric- and geriatric-friendly dosage forms
- Abuse-deterrent formulations, supported by proprietary polymer-based technologies.

Intellectual Capital

Granules Steps into the Future of Therapeutics with Peptides

A Strategic Foray into Next Generation Therapeutics



With the acquisition of Switzerland-based Senn Chemicals AG and the establishment of Ascelis Peptides, Granules India has entered the fast-evolving domain of peptide-based therapeutics and contract development and manufacturing services. Peptides are gaining increasing relevance across therapeutic areas such as diabetes, obesity, oncology and rare diseases. This strategic expansion positions Granules to capitalise on a high-growth segment, combining scientific precision with global scalability.

Senn Chemicals: A Legacy of Peptide Excellence



Established in 1963, Senn Chemicals is a renowned contract manufacturer specialising in custom peptide synthesis, offering both liquid-phase and solid-phase technologies. Senn serves a global clientele across pharmaceuticals, cosmetics, theragnostics and amino acid derivatives, providing end-to-end support from early-stage development through to commercial production. The Company has a strong regulatory track record, including regular Swissmedic audits and alignment with USFDA standards, enhancing Granules' global technical and compliance capabilities.

Strengthening Innovation and Expanding Global Reach



This acquisition delivers strategic advantages across multiple dimensions:

- Peptide therapeutics - Immediate access to high-growth areas such as GLP-1 receptor agonists, widely used in diabetes and obesity treatment. These products generated over USD 50 billion in global sales in 2024, with projections exceeding USD 130 billion by 2030
- Global CDMO platform - Strengthens Granules' presence across pharmaceutical, cosmetic and theragnostic markets by leveraging Senn's established customer base
- Integrated peptide value chain - Enables cost-efficient and secure development and supply of amino acid derivatives, peptide fragments and APIs.

Ascelis Peptides: Science, Scale and Speed



Ascelis Peptides is Granules' dedicated platform for advancing peptide research, development and manufacturing. By combining Swiss expertise and Indian operational scale, Ascelis will deliver comprehensive peptide capabilities in four key areas:

- **Generic APIs** - Development of complex peptide APIs, such as GLP-1 and oncology products, with planned expansion into oral and injectable dosage forms
- **Contract services** - Continued support to global pharmaceutical and cosmetic clients, with new manufacturing infrastructure under development in India
- **Cosmetic peptides** - Development of non-TAF peptides for applications in skin care, wound healing and anti-ageing
- **Theragnostics** - Supply of peptide linkers and components for diagnostic and therapeutic conjugates.

Execution Plan with a Focus on Quality and Speed



Granules has launched a clear execution roadmap to scale its peptide business under Senn and Ascelis:

- Establishment of a new peptide R&D centre in India
- Modular manufacturing expansion in India and Switzerland
- Development of two GLP-1 APIs for the Granules generics pipeline
- Expansion of amino acid derivatives production with a focus on cost-efficiency
- Strategic talent acquisition across quality, regulatory, business development and R&D roles
- Enhanced analytical and scale-up capabilities for complex peptide processes.

A Platform for Sustained Growth



The global peptide sector is poised for substantial growth, driven by the rise in targeted therapies, strong demand for obesity-related treatments and increasing outsourcing for peptide development. With over 170 obesity-related peptides under investigation globally, Granules is well-positioned to become a key player in this evolving market.

Granules is focused on building a science-led, globally competitive peptide business that enhances our innovation portfolio and open new avenues for growth. Through Ascelis Peptides and Senn Chemicals, we are entering one of the most promising frontiers in modern therapeutics, with confidence, capability and intent.

Intellectual Capital

API R&D

Building Capabilities in Complex and Sustainable Chemistry



Targeting High-Barrier Segments

Our API R&D teams are focused on expanding capabilities in oncology and metabolic disorders, including diabetes and obesity. Significant progress has been achieved in the development of novel polymorphs and amorphous solid dispersions. We are enhancing our knowledge ecosystem through collaborations with premier institutions, including IIT Hyderabad, NIPER, IICT and international partners to accelerate the development of complex products.

Progress at Pragathi Nagar Centre of Excellence (CoE)

The Pragathi Nagar CoE in Hyderabad has emerged as a hub for innovation in controlled substances and oncology APIs. Over the past year, we have successfully developed, validated and filed lisdexamfetamine, along with four oxybate salts. In oncology, two salts of Ruxolitinib were developed and filed in the US and EU. Additional pipeline projects are in advanced stages.

Expanding Biocatalysis as a Strategic Platform

Our teams have developed whole-cell biocatalytic processes with successful cell immobilisation, enabling cost-effective reuse. These innovations are being extended to advanced intermediates such as Levetiracetam and are being integrated into our larger manufacturing framework.

Advancing Enzyme and Bio-transformation Technologies

We have expanded our capabilities in enzyme screening, development and immobilisation at pilot scale. Bio-transformation methods are being validated for the first API, with efforts to incorporate continuous manufacturing with biocatalytic processes. This integration aims to enhance sustainability and operational efficiency.

Supporting Cost Leadership through Backward Integration

We continue to strengthen backward integration for key molecules to improve cost competitiveness and supply security. In linagliptin, the in-house development of all three KSMs has been completed. Similar efforts are underway for oncology APIs at Unit V, where process optimisation is being prioritised to support upcoming commercial manufacturing.

Formulation R&D

Accelerating Complex Generics for Global Markets



Leveraging Integration and Complexity

Our formulation R&D strategy focuses on the development of vertically integrated, high-barrier products, including First-to-File (FTF) and NCE-1 opportunities. We have established expertise across a broad spectrum of dosage forms, such as immediate- and extended-release tablets, powders for oral solutions and paediatric-friendly formulations.

Global Regulatory Expansion

Our team is aligning regulatory filings across the US, Europe, Latin America, Asia and MENA. By leveraging US filings, we aim to accelerate approvals in Europe. Additionally, our robust B2B collaborations are facilitating expansion into emerging markets, broadening our global footprint.

Advancements in Oncology and Diabetology

In oncology, we have filed one ANDA in the US and two MAAs in the EU, supported by a dedicated R&D centre in Hyderabad and a manufacturing facility in Visakhapatnam. For diabetics, we are developing a new combination and single-agent formulations, leveraging our strong API capabilities in Metformin and related compounds.

Speed-to-Market and Lifecycle Management

We are adopting rapid prototyping methods using QbD, DoE and computational tools. Regulatory considerations are integrated into formulation design to mitigate approval delays. Our lifecycle management approach includes differentiated manufacturing processes, continuous product improvements and real-world data monitoring for post-market adjustments.

Green Chemistry and Sustainable R&D

We apply key green chemistry metrics, such as Atom Economy, E-factor and EcoScale, to assess process efficiency, minimise waste generation and ensure scalability. Molecules are evaluated at the development stage to meet defined sustainability benchmarks.

Several of our ongoing projects now incorporate biotransformation and enzyme-catalysed processes, particularly in areas where improved selectivity and higher yields are required. Robust inventory management, waste minimisation protocols and pre-manufacturing assessments further support our commitment to responsible development and scale-up.

Safety and Quality from the Outset

Ensuring product safety and quality begins early in the research phase. We conduct thorough toxicological evaluations and dosage optimisation during initial development. In manufacturing, strict adherence to Good Manufacturing Practices (GMP) ensures contamination control, accuracy in formulation and batch-to-batch consistency.

Additional Measures Include:

- Tamper-evident and child-resistant packaging
- Real-time safety monitoring through pharmacovigilance systems
- Customer feedback analysis for continuous improvements in product design and performance.

Looking Ahead

We are expanding our innovation-led portfolio in complex segments like oncology and peptides, supported by sustained investment in R&D investment and integrated operations. Aligned with India's research and innovation agenda, we prioritise region-specific regulatory filings, green chemistry and scalable platforms. These efforts aim to enhance operational efficiency, product quality and global competitiveness, while delivering differentiated, patient-centric therapies that meet evolving market needs.

Human Capital

We recognise that the skills and dedication of our teams play a vital role in achieving operational efficiency, advancing pharmaceutical innovation, and enabling sustainable business growth. By nurturing talent across functions and levels, we strengthen our competitiveness, reinforce our role in the healthcare value chain, and cultivate a performance-driven culture across Granules.



Key Highlights

100%
of our employees were covered for annual health screenings and medical insurance benefits

31.6 %
Reduction in Recordable incidents

No
Fatal incidents

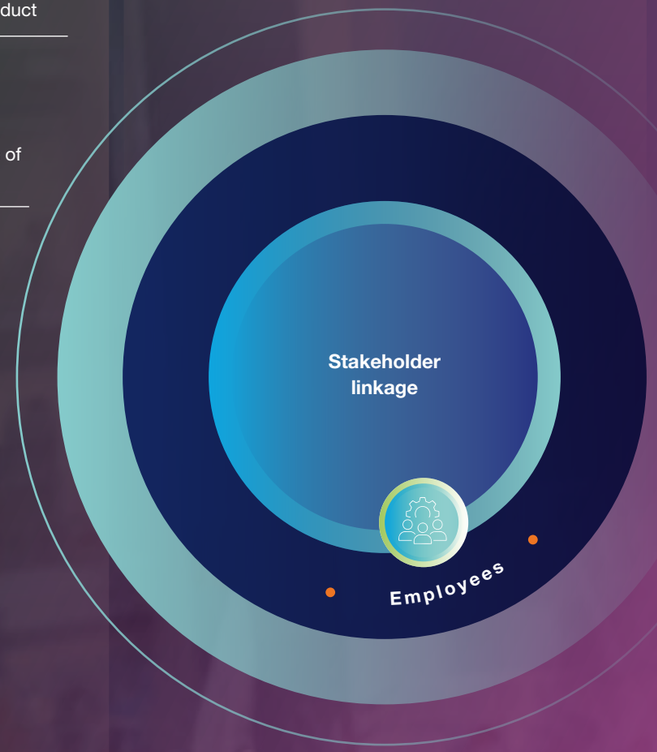
100%
of employees trained in the Code of Conduct

100%
of our employees and workers were given training on safety work practices

Zero
confirmed cases of discrimination

100%
of employees received wages above the minimum requirements set by local labor laws





Our Focus Area

- Health and safety culture
- Skills and capability building
- Inclusive workplace practices
- Meaningful employee experiences
- Future-fit talent pipeline

Human Capital

We place high importance on building a capable and resilient workforce as we grow through technology and innovation. Our approach focuses on enabling people to perform at their best by supporting their development, well-being and career growth. We provide meaningful work, competitive benefits and an inclusive environment where individuals at all stages of their careers can learn, contribute and grow. By creating a workplace where people feel valued and supported, we strengthen both our organisation and the communities.

Our Goal

Achieve a **100%** increase in women's employment by 2030 compared to FY24

Achieve **gender pay parity** by FY30



Employees and Workers	Unit	FY 2022-23	FY2023-24	FY2024-25
No. of Employees	No's	3650	4057	4066
No. of Male	No's	3410	3741	3684
No. of Female	No's	240	316	382
New Hires	No's	1588	1406	1327
Attrition	No's	1387	1020	1204
Work Men (Upto Sr. Executive)	No's	3058	3377	3362
Executives (Above Sr. Executive)	No's	592	680	704
<30 years	No's	1938	2178	2191
30-50 years	No's	1630	1792	1781
>50 years	No's	82	87	94
No. of Contract Work Employees	No's	2223	2467	2100
No. of Male	No's	1806	2022	1699
No. of Female	No's	417	445	401
Total Work Force	**No's**	**5873**	**6524**	**6166**
% of Female Employees	%	6.6	7.8	9.4
% of Female Work Force (Overall)	**%**	**11.2**	**11.7**	**12.7**
% of Attrition	%	38.0	25.1	29.6
Return to work rate	%	97	100	100
Retention rate	%	80	100	88
Women representation on Board of Directors	**%**	**20**	**25**	**25**

By Location

Unit	Total Employee	Male	Female
GIL – Gagilapur	2328	2131	197
GIL – I Bonthapally	401	383	18
GIL – II Jeedimetla	217	204	13
GIL – III Bonthapally	45	44	1
GIL – IV Parawada	293	266	27
GIL - V Parawada	195	179	17
R&D (RC 1), Pragathi Nagar	35	33	2
R&D (RC 2), Pragathi Nagar	32	23	10
R&D, Genome Vally	286	231	53
R&D, Pune	24	24	0
Corporate Office	210	166	44
Total Manpower	**4066**	**3684**	**382**

Talent management

At Granules India, we are focused on cultivating a high-performing, future-ready workforce that aligns with our business goals and core values. Our talent management framework emphasises clear career pathways, transparent performance evaluations and robust internal mobility, to support professional growth and retention.

We provide our employees with meaningful work, competitive benefits, wellness initiatives and recognition programmes to enhance employee satisfaction and reduce attrition. To address gender imbalance, particularly in hiring, we are intensifying efforts to attract and support more women in the workforce. Regular engagement surveys, town halls and open feedback channels ensure open communication, strengthen employee connection and nurture a positive, inclusive workplace culture.

Building Future Talent

We partner with academic institutions and research centres to offer internships and trainee programmes that enhance industry readiness among young professionals. Our mentorship and apprenticeship models provide hands-on experience across the pharmaceutical value chain.

	New Hires	Attrition
Male	1153	1124
Female	174	80
Age Group <30	1062	868
Age Group 30-50	258	323
Age Group >50	7	13
Work Men (Up to Sr. Executive)	1209	1057
Executives (Above Sr. Executive)	118	147
Total No	1327	1204



Human Capital

Training and development

At Granules India, our centralised Training and Development Policy ensures that employees, contractors and consultants receive structured learning aligned with role-specific, departmental and organisational needs.

All employees are required to complete a minimum of 24 training hours annually, with programmes tailored to both functional competencies and behavioural expectations, ensuring measurable outcomes.



Training & Performance and Career Development Review	Unit	FY 2022-23	FY2023-24	FY2024-25
Performance and career development reviews	%	79.7%	83.7%	83%
Provided training on human rights issues and policy	%	100%	100%	100%
Training Hours – GMP	Man-Hours	2,89,391	2,86,783	4,01,110
Training Hours – EHS Training	Man-Hours	13,695	13,463	26,269
Other Trainings (External Technical & Behavioural)	**Man-Hours**	**3,425**	**9,761**	**35,478**

LinkedIn Learning Platform

We introduced LinkedIn Learning as a centralised digital platform. The content is curated and mapped to specific functions and job levels. Employees accessed modules on accountability, leadership fundamentals, critical thinking, teamwork, Microsoft Excel and emerging technologies such as Artificial Intelligence. This platform empowers employees to take ownership of their skill development in a flexible and engaging format.

Scan Here
To Know More



Technical and functional training

We delivered customised training across departments, focusing on:

- Safety protocols and risk mitigation
- Pharmaceutical R&D and process knowledge
- Regulatory compliance requirements
- Customer service excellence
- Quality assurance systems and standards

TISS Vocational Education Programme

In partnership with the Tata Institute of Social Sciences (TISS), Granules offers a three-year vocational education programme for shop-floor employees. The curriculum combines classroom instruction with hands-on experience in pharmaceutical manufacturing.

228
Employees enrolled as of FY 2024-25



Granules learning academy

This internal academy delivers foundational training to grassroots-level employees. It focuses on unit operations, core manufacturing processes and quality control systems, helping to standardise operational capabilities across plants, improving consistency and efficiency.

Operational training for First-Line Manufacturing Managers

We conducted specialised training sessions for front-line manufacturing managers to strengthen their technical proficiency, compliance awareness as well as supervisory capabilities. These programs equip managers to effectively oversee plant operations while upholding safety and quality standards.

Training needs are assessed annually and integrated into programme design, with impact measured through feedback mechanisms and performance reviews.

Leadership development

At Granules India, we aspire to build a strong, future-ready leadership pipeline. Through targeted programmes, we strive to develop strategic thinking, self-awareness and execution excellence across all managerial levels.





During the year, we implemented a suite of interventions to align leadership with long-term business goals:

01 **Generative Leadership:** Driving innovation and future-ready thinking among mid- and senior-level leaders

02 **Interpersonal Assessment (IPA):** Enhancing self-awareness and interpersonal effectiveness

03 **Fusion Strategy Masterclass:** Bridging the gap between strategic planning and execution

04 **Goal-Setting FY'26 Offsite and Review Workshop:** Aligning leadership with key strategic and operational priorities

05 **Coaching and Mentoring Sessions:** Personalized growth and development for identified leaders

06 **Sales and Marketing Team-Building Workshop:** Building collaboration, alignment and performance in commercial teams.

Human Capital



Flagship Leadership Program: First-Time Leaders Programme (FLTP)

Launched in FY25, the First-Time Leaders Programme (FLTP) is Granules' signature leadership development initiative to equip new managers with the essential skills needed to lead effectively. Delivered over three days in two phases, the programme blends classroom sessions with interactive learning methods, such as self-assessments, case studies, films and live assignments. With participation from over 2,500 employees, FLTP has become one of the Company's most impactful leadership development interventions to date.

Performance management

Our performance management system drives continuous improvement, individual growth and organisational agility. The framework is built to ensure clarity, fairness and alignment with business objectives.

Key features of the system include:

- Objectives are clearly defined and aligned with functional and business priorities
- Regular performance reviews enable timely feedback
- High performers are acknowledged and rewarded for their contributions
- Personalised development plans address skill gaps and promote career growth
- Succession planning supports leadership continuity and career progression

This approach strengthens accountability, enhances individual performance and helps build a future-ready workforce.

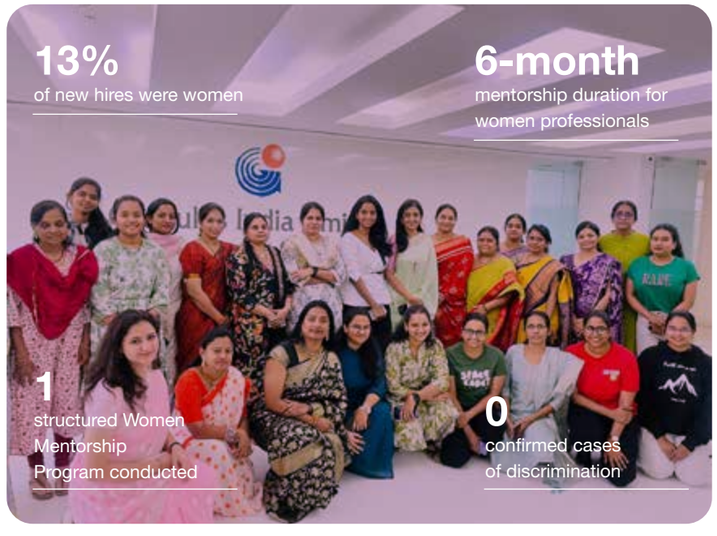


Diversity and inclusion

At Granules India, we are committed to building an inclusive workplace where every individual is respected, valued and empowered to thrive. Our Diversity, Equity and Inclusion (DEI) initiatives focus on fair hiring practices, cultural sensitivity and programmes that support under-represented groups.

Our Goal

Foster a safety-first culture and target zero workplace fatalities



Key actions and programmes

Women at Work

We actively promote the participation of women across all levels of the organisation, recognising the value of diverse perspectives in driving innovation and strong decision-making.



Women Mentorship Programme

This structured six-month initiative combines group workshops with one-on-one coaching to help women professionals build leadership capabilities, enhance self-confidence and accelerate career progression.



Safeguards against harassment and discrimination

Granules enforces a zero-tolerance policy against harassment and discrimination. Our workplace is governed by a comprehensive POSH (Prevention of Sexual Harassment) policy, supported by an Internal Complaints Committee, confidential and anonymous reporting mechanisms and a transparent grievance redressal process. These measures ensure a safe, respectful, and inclusive environment for all employees.

Human Capital

Employee engagement

At Granules India, our engagement strategy is rooted in open communication, inclusion and continuous feedback. Regular town halls, interactions between employees and leadership as well as structured engagement surveys are conducted to understand employee sentiments, address concerns and ensure alignment with organisational values. We also recognise and reward contributions through various programmes that celebrate individual and team achievements. Our wellness initiatives, learning and development opportunities as well as internal mobility pathways contribute to a supportive environment where employees can grow personally and professionally.

Occupational health and safety

We focus on creating and maintaining a safe and healthy workplace through a structured Occupational Health and Safety (OH&S) management system that aligns with national and international standards, including ISO 45001:2018. This system is in place across all our manufacturing locations in Gagillapur, Jeedimetla, Bonthapally and Visakhapatnam.

Granules Life Sciences (GLS) received the CII Excellence Award in recognition of its outstanding safety practices. This honour reflects our ongoing efforts to maintain the highest standards of workplace safety.



100%
Of male and female employees and workers trained in health and wellness practices in FY25

52
Risk assessment studies conducted in FY25

26,269
Man-hours of EHS training

ISO 45001:2018
Certified occupational health and safety management system

25%
worker representation in safety committees across all manufacturing sites



Health Services and Medical Surveillance

Each site is equipped with an Occupational Health Centre staffed by full-time doctors and round-the-clock nursing teams. These centres support both routine and emergency medical needs and carry out health surveillance for all employees. Pre-employment medical screenings are conducted for new hires, followed by annual health check-ups for all employees and half-yearly examinations for those working in higher-risk areas. Medical records are kept confidential and are only accessed by authorised medical staff.



Hazard Identification and Risk Control

We carry out regular internal risk assessments and hazard and operability studies. In the year under review, we conducted 52 assessments across locations. Our teams evaluate possible causes and outcomes of incidents such as fires, chemical spills or equipment failures. We also involve third-party experts to conduct fire and electrical safety audits. Process hazard analyses help us understand the severity of potential events by considering both technical safeguards and operating conditions.

To manage high-risk tasks, we have implemented a permit-to-work system. Personal protective equipment requirements are mapped by role and location, and safety information is displayed using multilingual visuals. Our facilities are regularly monitored for exposure to noise, dust and odours. Industrial hygiene assessments have been carried out at our Gagillapur unit to evaluate occupational exposure levels.

Safety Practices and Worker Involvement

We follow structured safety procedures for all operations and encourage employees and contract workers to identify and report unsafe conditions and near misses. Our safety committees include representation from at least 25 percent of workers and play an active role in site-level safety planning and risk mitigation.

All incidents are documented, investigated and reviewed in order to prevent recurrence. Monthly Apex Committee meetings at the corporate level track safety observations, audit findings and site-level issues. We also conduct regular safety audits, inspections and fire drills to validate procedures and check operational readiness.

Focus on Training and Awareness

We provide ongoing training to employees and contract workers on hazard identification, emergency procedures, correct use of protective equipment and safe handling of chemicals. Our drills include practice in leak containment, fire hydrant operations, use of fire alarms and safe evacuation. Safety messages are delivered through visual signage and digital platforms to reach all teams across shifts and languages.

An integrated system supports contract worker safety by ensuring that workers remain in designated zones long enough to become familiar with specific safety requirements and practices.

Human Capital

Safety Improvements and Accountability

Following two incidents in the Reporting year FY 23-24, we introduced several safety enhancements. These include deploying additional managerial oversight during night operations and launching a safety interaction programme that encourages safe behaviours at the shopfloor level. We have made infrastructure improvements, brought in external safety experts and strengthened accountability within operations teams to improve day-to-day safety practices.

Safety performance

		FY2024-25	FY2023-24	FY 2022-23	FY2021-22
No. of Employees		4,066	4,057	3,650	3,686
No. of Workers		2,100	2,022	2,223	2,047
Man Hours Worked – Employees		90,02,124	89,82,198	80,81,100	81,60,804
Man Hours Worked – Workers		68,98,500	66,42,270	73,02,555	67,24,395
Reportable Incidents – Employees		1	0	1	0
Reportable Incidents - Workers		**1**	**2**	**0**	**1**
Lost Time Injury Frequency Rate (LTIFR)	Employees	0.11	0	0.12	0
(Per one million-person hours worked)	Workers	0.14	0.30	0.00	0.15
Total recordable work-related injuries	Employees	6	23	7	10
	Workers	20	15	11	5
No. of fatalities	Employees	0	0	0	0
	Workers	0	2	0	0
High consequence work-related injury	Employees	0	0	1	0
or ill-health (excluding fatalities)	Workers	1	0	0	1

Employee Health and Well-being

We have partnered with Ekincare to offer employees access to 24 by 7 medical consultations, subsidised health check-ups, home delivery of medicines and wellness services. Our benefits include health and accident insurance, parental leave and childcare support. Preventive care is encouraged through annual health camps that focus on eye care, dental health and cardiac risk factors. We also organise quarterly health awareness sessions for employees.

Women's health programmes cover topics such as menstrual hygiene, breast cancer, bone density and post-pregnancy care. We support mental well-being through meditation and stress management sessions led by experienced professionals.

Workplace HIV and AIDS Programme

We operate a workplace HIV and AIDS programme in partnership with the National AIDS Control Organisation. The programme includes awareness sessions, confidential counselling and access to antiretroviral therapy. We follow a clear HIV policy that respects the privacy of individuals and promotes inclusion across the workplace.



Human rights

At Granules, we are committed to upholding human rights throughout our operations. Our approach includes provisions that protect fundamental rights such as life, liberty, freedom of opinion and expression and compliance with national employment and immigration laws. We do not engage in or support child or forced labour. A dedicated channel is in place for reporting human rights concerns, supported by a whistleblower policy and vigilance system that encourages the reporting of unethical practices while protecting employees from retaliation. Human rights requirements are also embedded in our supplier contracts to ensure that ethical standards are upheld throughout our value chain.





Social and Relationship Capital

We believe that long-term progress is built on strong, meaningful relationships with our communities and stakeholders. Our actions are guided by empathy, inclusion and a sense of responsibility that transcends our business operations. We engage thoughtfully across our ecosystem, supporting healthcare, education and social development while encouraging collaboration that creates lasting value for people and society.



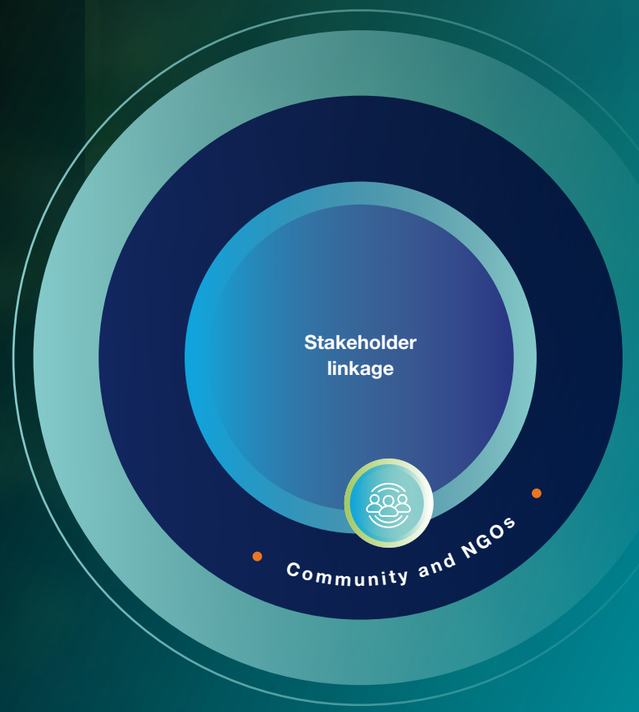
Key Highlights

1,00,000+
Lives Positively Impacted

₹119 mn
CSR Spend

90%
CSR spend is directed towards skill development and community health, benefiting vulnerable and marginalised communities





Our Focus Area

- Rural healthcare access
- Inclusive education support
- Youth skilling programmes
- Environmental conservation
- Community infrastructure development
- Ethical sourcing practices
- Supplier capability enhancement

Social and Relationship Capital

We believe that real change is driven by collective effort and mutual support. This belief underpins our commitment to making a meaningful difference in the lives of individuals and communities through targeted initiatives in healthcare, education and development. From empowering rural youth to realise, ensuring access to essential healthcare and supporting growth through education and sports, our programmes are designed to address real, pressing needs.



By FY30, we aim to touch

1 million lives

empowering communities to grow stronger and enabling brighter and more promising futures.

Governance and Implementation

Our CSR activities are implemented through a structured governance framework. A dedicated CSR Committee at the Board level oversees all activities and fund allocations, guided by data-driven insights into local health, education and demographic indicators. Random audits are conducted to evaluate the performance and compliance of project partners. Progress is reviewed quarterly by the Board of Directors and the overall CSR policy is evaluated annually to ensure relevance and impact. We engage local Panchayat leaders and relevant government departments to identify community needs and determine the most effective interventions.

CSR Needs Assessment Framework for Granules India Limited

01 Introduction

Granules India Limited adopts a structured approach to CSR needs assessment. This framework ensures alignment between community requirements and implementation.

02 Assessment Components

Internal Assessment

- **Corporate Values and Mission** — Focus on improving health outcomes, supporting education and advancing sustainability through CSR
- **Resource Capability Analysis** — Financial support directed towards enhancing healthcare access, infrastructure, skilling and educational programmes
- **Strategic Business Objectives** — Business-aligned CSR initiatives, including sector-specific skill training through the Pharma Pathashala programme

External Assessment

- **Stakeholder Mapping** — Regular engagement with Panchayat leaders, local authorities and community organisations
- **Local Community Needs** — Identification of healthcare and education gaps in Telangana through on-ground assessments and community feedback
- **Regulatory Analysis** — CSR initiatives aligned with Schedule VII of the Companies Act

03 Assessment Process

Data Collection Methodologies

- **Community consultations and feedback-based programme design**

Analysis Framework

- **Need Prioritisation** — Rural skilling and healthcare access identified as top priorities
- **Impact Assessment** — Impact measured by student employment outcomes and healthcare beneficiaries.

04 Focus Areas for Granules India Limited

Healthcare

Breast Health Express – Breast Cancer Screening Unit
Dialysis services in partnership with Rotary
Vision screening in government schools
Support for children affected with cancer
Primary Health Centre in Gagillapur
Partnership with Ashray Akruti for disability support
Research in ocular health

Education

Pharma Pathashala – Placement Linked Skill Development Program
Education kit distribution
Vidya Volunteers in government schools
Education centre at Bonthapally
Shoe distribution in Gagillapur schools
School Transformation Projects

Environment

Green Kanha Run with Heartfulness Institute
Plantation of 15,000 saplings
Eco-friendly Ganesha idol distribution with TSPCB

Infrastructure

Overhead water tanks in Bonthapally and Veerannaguddem
School repair and development in Gagillapur

05 Implementation

CSR policy publicly disclosed on the Company website | Board-level CSR Committee monitors fund utilisation | Quarterly reviews by the Board | Project selection based on ground-level needs and community inputs

06 Conclusion

Granules' CSR strategy is built on a structured needs assessment process, active community engagement and outcomes-based programme execution.

Social and Relationship Capital

Pharma Pathashala – Empowering Rural Youth through Skill Development

Pharma Pathashala is Granule India's flagship skill development initiative, in collaboration with Swarna Bharat Trust, designed to equip educated rural youth in Telangana with industry-relevant competencies. The programme offers hands-on training across key pharmaceutical operations such as production, quality control and R&D. This initiative was conceived in response to the region's high youth unemployment rates and the limited availability of vocational education, especially in science-based disciplines.





Skill Development

Hands-on training in various facets of pharmaceutical manufacturing.



Holistic Learning

Integrating physical fitness, discipline, and soft skills into the curriculum.



Career Pathways

Supporting job placements within the pharmaceutical industry, with many graduates potentially joining Granules.

Courses Content

Enhancing Technical Skills • CGMP • Unit Operations • Communication • Analytical Thinking
Basics of Pharmaceuticals • Pharma Analysis • Enhancing Soft Skills
Time Management • Decision Making

Challenges and Response

The programme initially encountered hurdles in ensuring continuous participation from marginalised communities and operating with limited training infrastructure. To address these challenges, Granules India expanded its community outreach efforts, redesigned the training curriculum and collaborated with organisations like Swarna Bharat Trust to improve programme delivery and reach.

Impact

Over **1,450 students** trained through Pharma Pathashala since inception in 2017 with 250+ in current year

Nearly all **graduates employed** in the pharmaceutical sector

Long-term transformation
enabled through stable careers, financial independence and personal development



Abhilasha

Sangareddy, Telangana

Abhilasha grew up facing a range of personal and financial responsibilities, especially after 2019, when the care of her younger cousin became part of her daily life. With her elder sisters married and limited family income, she completed her SSC in 2021 and took up work to support the household. Although she enrolled in college in 2022, financial constraints meant she could only appear for exams. In 2023, a colleague introduced her to the Pharma Patashala programme. The structured training helped her build technical skills, improve workplace readiness, and regain confidence, enabling her to realign both her academic and career aspirations.

Social and Relationship Capital



J. Ramakrishna

Mahabubabad, Telangana

Ramakrishna comes from a modest joint family in Mahabubabad, where his mother manages the household through farming. As the youngest of five siblings, with four elder sisters, he felt a strong responsibility to uplift his family's circumstances. Driven by the desire to secure a better future, he enrolled in Granules' Skill Development programme. The training offered hands-on exposure to pharmaceutical operations and helped him cultivate a disciplined work ethic. It also equipped him with essential life skills such as communication, digital literacy and time management. Today, Ramakrishna is prepared to step into the pharmaceutical sector with confidence and purpose.



P. Shashank

Mancherial, Telangana

Shashank belongs to a small, close-knit family in Mancherial. After his father lost his land and could no longer continue working, the household responsibilities shifted to his mother. With a younger brother still in school, Shashank felt a deep sense of responsibility to support his family. He joined the Granules Skill Development programme with the intent of securing a stable and sustainable career. Throughout the training, he demonstrated focus and adaptability, gaining a sound understanding of pharmaceutical operations. The programme also helped him build essential professional skills in discipline, communication and digital literacy, laying the groundwork for a resilient and forward-looking career.



Krishnaveni

Vikarabad, Telangana

With her mother facing health challenges and a younger brother to support, Krishnaveni took on the responsibility of sustaining her family. After completing her Intermediate in BiPC with 60 percent, she moved to Hyderabad in search of work and took up a job at a retail store, putting her education on hold due to financial constraints. Encouraged by a neighbour, she joined the Pharma Patashala programme at Granules. The training equipped her with practical knowledge in pharmaceutical operations and helped her build essential skills in communication and computer literacy. The experience gave her the confidence to pursue both a stable career and her academic goals.

Projects in Health

Mobile Mammography Services

A mobile mammography unit provided early detection and awareness to underserved women, promoting timely intervention.

1,000
women benefitted

95%
from vulnerable and marginalised groups.



Social and Relationship Capital

Nutritional Support for TB Patients

As part of the Pradhan Mantri TB Mukht Bharat Abhiyan, nutritional kits were distributed to TB patients in Bhadradri Kothagudem.

1080
TB patients benefitted (6180 kits)

80%
Beneficiaries from vulnerable and marginalised groups



Projects in Skilling and Education

Education Kit Donation Drive

Learning kits were distributed to students in government schools to support academic progress.

550
students benefitted

90%
from vulnerable and marginalised backgrounds.



School Infrastructure Upgrades – Gagillapur

In partnership with Nirmaan Organization, a government school was upgraded with improved infrastructure.

380
students benefitted

90%
from vulnerable and marginalised groups.



Appointment of Vidya Volunteers

Five Vidya Volunteers were deployed to support teaching staff and improve academic delivery.

600
students benefitted

100%
from vulnerable and marginalised groups.



School Shoe Distribution – Gagillapur

In collaboration with Nirmaan Organization, shoes were distributed to children at ZPH and MPP schools to encourage school attendance.

380
students benefitted

90%
from vulnerable and marginalised groups.



Infrastructure Support – Bonthapally

A fully constructed school building was donated in partnership with Potukuchi Somasundara Trust to support students' educational needs.

70
students benefitted

90%
from vulnerable and marginalised groups.



Social and Relationship Capital

Projects in Environment and Biodiversity

Granules Green Kanha Run

As the title sponsor, Granules supported a wellness-focused community event organised by the Heartfulness Institute.



3,500+
runners participated.

Clay Ganesha Idol Distribution

In partnership with TSPCB, clay Ganesha idols were distributed to encourage eco-friendly celebrations during Vinayaka Chathurthi.



7,500
runners Clay Ganesh Idols Distributed.

Tree Plantation Drive

In collaboration with the Heartfulness Institute, native trees were planted to promote biodiversity and ecological restoration.



>15,000
Native trees have been planted

Support for World Telugu Federation Conference

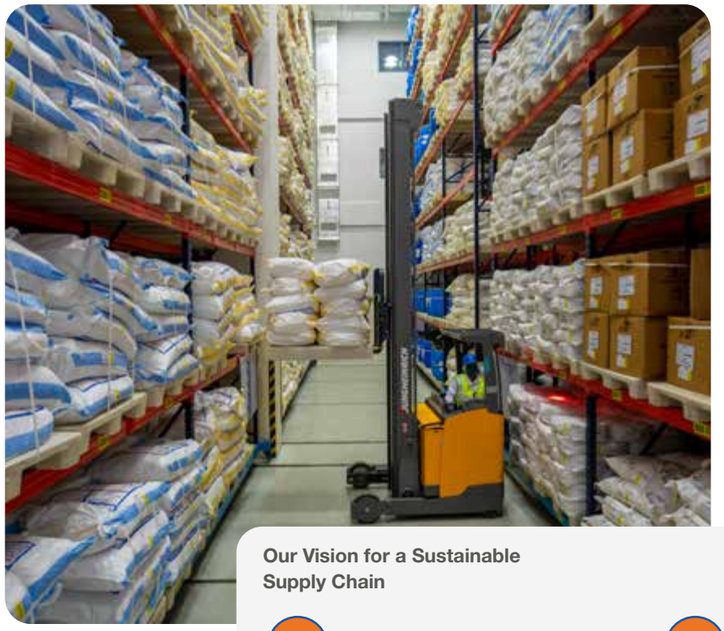
Granules supported the 12th Biennial Conference of the World Telugu Federation to promote cultural heritage, language, and community engagement.



Our CSR Partnerships

Akshaya Patra – Unlimited food for education
Government of Telangana
nirmaan.org
Telangana
స్వర్ణభారత్ ట్రస్ట్
स्वास्थ्य एवं परिवार कल्याण मंत्रालय MINISTRY OF HEALTH AND FAMILY WELFARE

Social and Relationship Capital



Supplier Sustainability Programme: Driving Responsible Partnerships

At Granules, we recognise that our responsibility towards sustainability extends beyond our operations to the entire value chain. Our Supplier Sustainability Programme is central to this vision, promoting environmental stewardship, social responsibility, and ethical business practices across our supply network. Through close collaboration with our suppliers, we seek to collectively create positive impact, mitigate risks, and build a more resilient, sustainable future.

Our Vision for a Sustainable Supply Chain

01

Environmentally Responsible

Reducing ecological footprint through lower emissions, waste, and water use, alongside responsible resource management.

02

Socially Equitable

Upholding human rights, ensuring fair labour practices, encouraging diversity and inclusion, and positively engaging with communities.

03

Ethically Sound

Operating with integrity, transparency, and zero tolerance for corruption or unethical behaviour.

04

Economically Viable

Building long-term partnerships that support sustainable growth for all stakeholders.



Granules placed in A List – CDP Supplier Engagement Assessment (SEA) for 2024 Cycle

Granules has been included in **CDP's Supplier Engagement Assessment (SEA) A List** for the **2024 disclosure cycle –Placing us among a select group of global Companies recognized for leadership in climate action across the value chain.**

This recognition reflects our strong commitment to climate leadership, transparency, and supplier collaboration across our value chain.

CDP's SEA evaluates companies based on their performance in:

- Climate governance
- Target setting
- Scope 3 emissions management
- Value chain engagement



Key Pillars of Our Supplier Sustainability Programme

Our approach to supplier engagement and performance is anchored in five interconnected pillars

01

Supplier Code of Conduct

We have established a comprehensive Supplier Code of Conduct that outlines expectations regarding environmental, social, and ethical performance. Embedded within all supplier agreements, it covers:

- Environmental management (energy, water, waste, emissions)
- Labour practices (fair wages, working hours, child and forced labour, non-discrimination)
- Health and safety
- Business ethics and anti-corruption
- Responsible sourcing of materials

02

Risk Assessment and Prioritisation

Regular risk assessments help identify and prioritise sustainability risks based on geography, sector, product type, and past performance. High-risk suppliers undergo enhanced due diligence and monitoring.

03

Performance Measurement and Monitoring

We implement mechanisms to assess supplier sustainability performance:

- **Self-Assessments:** Suppliers complete structured questionnaires on sustainability practices.
- **Third-Party Audits:** Independent audits verify compliance with our Code of Conduct and applicable standards.
- **Key Performance Indicators (KPIs):** Metrics include carbon emissions, water usage, waste diversion, and labour-related incident rates.

04

Capacity Building and Collaboration

We support suppliers in enhancing their sustainability performance through:

- Training sessions and workshops on best practices in environmental and social governance
- Platforms for knowledge exchange and peer learning
- Joint initiatives to reduce environmental impact or improve social outcomes

05

Continuous Improvement and Remediation

Our approach encourages continuous improvement. We co-develop corrective action plans to address non-conformances and support their execution. In cases of persistent or severe violations, we follow structured remediation protocols, which may include reassessing the business relationship.

Social and Relationship Capital

Supplier Code of Business Conduct

The Supplier Code of Business Conduct (COBC) forms the bedrock of our sustainable sourcing strategy. It sets minimum standards for suppliers, subcontractors, and service providers engaged with Granules. The COBC defines expectations across legal, ethical, environmental, social, and governance parameters, and is applicable to contractors, suppliers, partners, and internal procurement teams alike.



Core Principles

Business Ethics: Suppliers must operate with integrity, transparency, and fairness. Anti-bribery, anti-corruption, insider trading, and fraud are prohibited. Whistleblower protections are ensured.

Human Rights and Labour Practices: Suppliers must respect international human rights conventions. Granules enforces zero tolerance for child or forced labour, discrimination, and mandates fair wages, safe conditions, and freedom of association.

Health and Safety: A safe working environment, compliance with all relevant laws, and adequate emergency preparedness are essential. PPE provision and safety training are mandatory.

Environmental Responsibility: Compliance with environmental regulations is expected, including efforts to minimise emissions, manage waste responsibly, conserve water, and avoid sourcing from ecologically sensitive areas.

Information Security and Data Privacy: Suppliers must adhere to India's DPDP Act and relevant global data privacy standards.

Legal Compliance: Adherence to all applicable national and international laws relating to trade, competition, and sanctions is required.

Transparency and Reporting: Suppliers must uphold high standards of data accuracy and transparency, especially in ESG reporting.

ESG Expectations from Suppliers

We encourage suppliers to demonstrate clear progress beyond compliance, particularly on ESG parameters.

Environmental Expectations

- Disclose Scope 1, 2, and 3 GHG emissions linked to Granules' operations by end-2025
- Submit science-based targets to SBTi by 2025
- Provide Product Carbon Footprint (PCF) data for key products
- Transition to 100% renewable electricity within five years

Social Expectations

- Respect human rights across operations and value chains
- Prohibit child labour, forced labour, and human trafficking
- Ensure fair compensation, inclusive workplaces, and safe working environments
- Provide effective grievance redressal mechanisms and support worker well-being

Governance Expectations

- Maintain zero tolerance for bribery, corruption, and money laundering
- Ensure data privacy and information security in line with legal frameworks
- Maintain financial transparency and full regulatory compliance

Implementation and Monitoring

Granules integrates sustainable sourcing principles across procurement functions through structured systems and processes:

Supplier Training

90% of our value chain partners have been trained on the COBC, covering:

- Ethical business practices
- Human rights and fair treatment
- Environmental and legal compliance
- Workplace safety standards
- Robust management systems to ensure continuous adherence

Vendor Qualification and Assessment

A structured Vendor Management System (VMS) supports supplier assessments and includes a CSR questionnaire focused on ESG parameters such as:

- CSR governance and policy frameworks
- Wages and statutory benefits (PF, ESI, gratuity)
- Health and safety infrastructure
- Emergency preparedness plans
- Waste and chemical management protocols

Supplier Evaluation

100% of key suppliers of APIs, KSMs, excipients, intermediates, packaging, and other raw materials covering ~90% of our procurement value, are assessed periodically by SOP GIL-CQA-008.



Elements of the Supplier Program

Labour and Human Rights
- Fair Labour Practices
- No Child Labour
- No Forced Labour
- Freedom of Association

Ethics
- Integrity and Transparency
- Fair Competition
- Compliance

Environment
- Sustainable Materials
- Resource Efficiency
- Environmental Impact

Supplier Engagement and Development
- Supplier Code of Conduct
- Capacity Building
- Monitoring & Auditing

Community and Social Impact
- Local Sourcing

Social and Relationship Capital

Supplier Sustainability in Action: Progress and Insights

We have rolled out the Supplier Sustainability Program, covering more than 80% of suppliers based on purchase value, to pledge their commitment to shared sustainability goals.

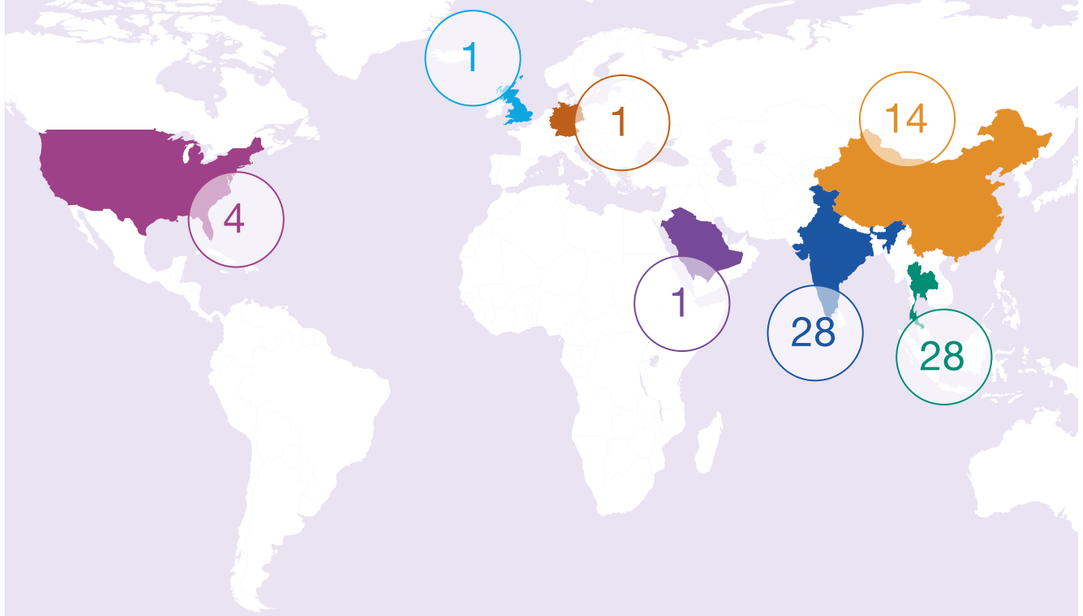
Of these, 92% have acknowledged the initiative and designated a Single Point of Contact (SPOC) to facilitate collaboration.

As part of this program, a survey was launched to assess the current maturity of suppliers across various ESG aspects, including policies, governance structures, sustainability goals, actions, certifications, and compliance.

Approximately 73 % of suppliers actively participated in the survey, providing valuable insights into their ESG readiness.

Our Supplier Sustainability Program - Coverage in Numbers

Geographical spread of our top 50 suppliers



1	India	28
2	China	14
3	United States	4
4	Thailand	3
5	Germany	1
6	Saudi Arabia	1
7	United Kingdom	1

>65% Suppliers certified for EHS management system

62 No. of suppliers covered

>85% Coverage on purchase spend

>80% Suppliers with ESG/ Sustainability policy

100% Suppliers has conducted training on human rights

Note: Map not to scale

Tackling Carbon Emissions in the Value Chain (Scope 3 Emissions)

Supplier Engagement Program

Granules India Limited is committed to sustainability through a Supplier's Sustainability Program. We prioritise selecting suppliers aligned with our sustainability goals and work with our top suppliers, responsible for 80% of our carbon footprint, to reduce emissions.

This involves pledges, disclosures, and adherence to SDGs and SBTi.

Key Features of Our Supplier Sustainability Program

Granules' Supplier Sustainability Program is built on collaborative partnerships to advance decarbonization and sustainable practices.

The program's key components include

Carbon Footprint Disclosure

Supplies are required to report Scope 1,2, and 3 emissions related to their business with Granules.

Science-Based Targets Initiative (SBTi)

Suppliers must develop and submit science-based targets by 2025 aligned with global climate objectives.

Product Carbon Footprint (PCF)

Suppliers are expected to provide the product carbon footprint sold to Granules

Renewable Energy Adoption

Suppliers are encouraged to increase renewable energy usage, targeting 100% renewable energy for the next five years.

This program shows Granules' dedication to responsible and sustainable sourcing, aligning with our broader environment goals.

Granules advances its climate goals and expects suppliers to uphold the ethical standards defined in our Code of Conduct. These standards cover labour rights, environmental sustainability, business ethics, data privacy, and information security. Suppliers are required to ensure adherence among their employees and subcontractors, communicate these standards across their vendor networks, and include similar provisions in their contracts. In the event of conflicting laws or agreements, suppliers must comply with the most stringent applicable standard, thereby upholding Granules' principles of ethical and responsible supply chain practices.

	November 2024	March 2025 progress	Target	
Acknowledgment of receipt of supplier code of conduct and sustainability program expectations		92%	>95%	March 2025
Participate and submission of the initial sustainability maturity assessment survey		73%	>80%	June 2025
Submit Signed Supplier Sustainability Commitment/Pledge letter			>90%	Q1&Q2 FY26
Supplier pre-engagement meetings			>90%	Q2 FY26 & Ongoing
Quarterly progress review meetings and technical support sessions			>90%	Quarterly

Natural Capital

Climate change is a global challenge with profound implications for human health, ecosystems, biodiversity and livelihoods. At Granules, we are addressing this challenge through targeted environmental strategies aimed at minimising our ecological impact. By integrating sustainable practices across operations, we strive to preserve natural systems, support resilient communities and contribute to the planet's well-being.

Key Highlights

32.2%
Absolute reduction in GHG emissions (Scope 1 & 2)

68.7%
of total electricity consumption sourced from renewable energy

44.2%
of wastewater generated is recycled

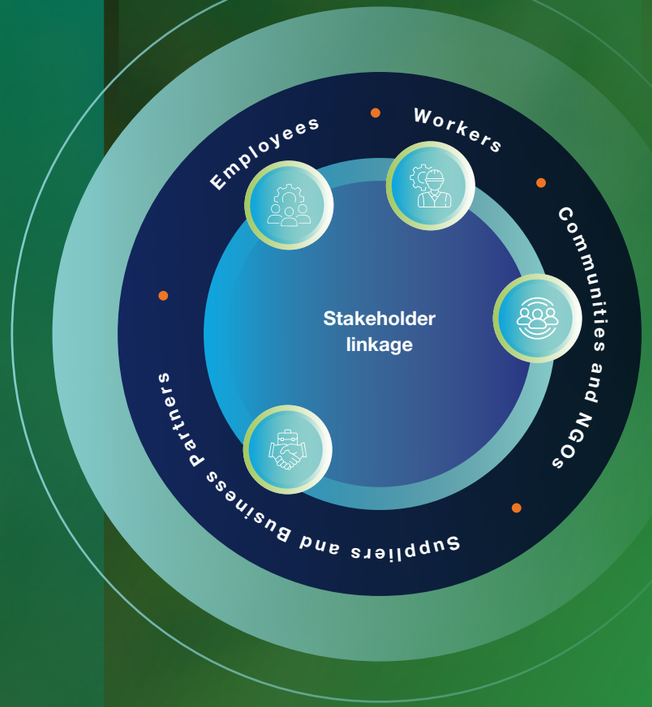
80%
of hazardous waste safely co-processed

Granules is committed to achieving
Net Zero emissions by 2050
a target validated by the **Science Based Targets initiative (SBTi)** and aligned with the 1.5°C climate pathway.

Gold rating
in the May 2025 EcoVadis Sustainability Assessment

We earned a
'B' rating
in the CDP Climate assessment, reflecting a two-level improvement over our previous score.





Our Focus Area

- Climate Change
- GHG Emissions Reduction
- Sustainable water and effluent management
- Cleaner energy adoption
- Circular waste management
- Biodiversity conservation
- Air emissions reduction

Natural Capital

Granules Achieves EcoVadis Gold Rating

Granules achieved a
Gold rating in the rigorous EcoVadis Sustainability Assessment.
This exceptional achievement places us in the
97th percentile globally,
distinguishing Granules among the
top 5% of all participating companies worldwide
for our sustainability performance.

Key Highlights from the EcoVadis Rating

97th Percentile	84/100 Ethics
79/100 Overall Score	83/100 Sustainable Procurement
78/100 Environment	74/100 Labour & Human Rights

About Ecovadis Rating :

EcoVadis provides one of the world's most trusted business sustainability ratings, assessing companies across four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. The assessment is based on globally recognized standards such as the GRI, UNGC, and ISO 26000. A company's score reflects its sustainability management system and performance, benchmarked against peers across industries and geographies. The rating helps businesses enhance transparency, strengthen responsible sourcing, and drive continuous improvement in ESG practices.

Granules Achieves 'B' Rating in 2024 CDP Climate Assessment

Granules India Limited has been awarded a
"B" rating
in the
2024 CDP Climate Assessment,
reflecting a
two-level improvement
from the previous year's
"C" rating.
This places the company in the
"Management" band
of CDP's rating scale, highlighting
tangible progress
in managing environmental impacts and demonstrating our
growing focus on sustainability and climate responsibility.

CDP SCORING BREAKDOWN

About CDP:

The Carbon Disclosure Project (CDP) is a global non-profit that promotes transparency in environmental reporting, helping companies and organizations disclose their impacts on climate change, water security, and deforestation. By providing valuable insights through CDP ratings, it enables investors, companies, and stakeholders to make informed decisions and take action towards a more sustainable future.

Natural Capital

Our Sustainability Goals and Targets

Environment



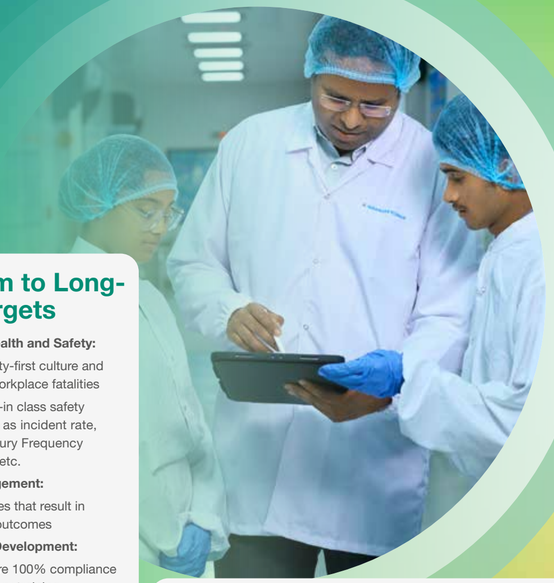
Mid-term to Long-term Targets

- Achieve Net Zero emissions by 2050, aligned with the 1.5° temperature goal under the Science Based Targets initiative (SBTi)
- Reduce Scope 1 and Scope 2 emissions by 42% by FY30 from FY23 baseline
- Reduce Scope 3 emission by 42% by FY30 from FY23 baseline
- Transition to 100% renewable electricity by 2030
- Implement a supplier sustainability framework and encourage suppliers to adopt science-based targets by FY27
- Achieve zero waste to landfill by 2030
- Achieve Water Positivity by 2032.

Short-term Targets

- Commission the first phase of the group captive renewable power project to meet 60% of Granules India's power requirement by July 2026
- Achieve 30% biofuel usage in boiler operations across units
- Divert 90% waste from landfills across all operations
- Develop and implement a Water Positivity Roadmap at GGP and BPL units.

Social



Mid-term to Long-term Targets

Occupational Health and Safety:

- Foster a safety-first culture and target zero workplace fatalities
- Achieve best-in class safety metrics such as incident rate, Lost Time Injury Frequency Rate (LTIFR) etc.

Employee Engagement:

- Drive initiatives that result in measurable outcomes

Human Capital Development:

- Identify ensure 100% compliance with mandatory training
- Rank in the top quartile for Learning and Development in the pharmaceutical industry

Community Impact:

- Support programmes in health, skilling, sustainability and volunteering
- Impact 1 million lives through CSR programmes by FY2030

Access, Diversity and Inclusion:

- Achieve gender pay parity by FY2030
- Double the number of women employed by 2030, compared to FY 24
- All plants to be made accessible for physically challenged people
- Ensure equal opportunity in selection and promotions.

Short-term Targets

Occupational Health and Safety:

- Target zero fatalities by using proactive safety indicators
- Achieve a 10% Y-o-Y reduction in the LTIFR

Employee Engagement:

- Expand health and wellness programmes
- Initiate mental health support

Human Capital Development:

- Ensure 100% compliance with mandatory training
- Provide a minimum of 24 training hours (3 days) per employee annually.

Community Impact:

- Conduct CSR impact assessments
- Increase lives impacted through CSR by 50%

Access, Diversity and Inclusion:

- All plants to be made accessible for physically challenged people
- Ensure equal opportunity in selection and promotion
- Develop processes to expand the pool of women candidates during recruitment.

Governance



Mid-term to Long-term Targets

Business Ethics and Integrity:

- Conduct awareness programmes and mandatory Code of Conduct training
- Enforce zero tolerance ethical violations

Sustainability Governance:

- Integrate sustainability governance with the ERM framework
- Ensure transparency through ESG disclosures

Data Privacy and Cybersecurity:

- Conduct annual third-party threat and vulnerability assessment
- Ensure zero data breaches
- Achieve ISO 27001 certification by FY2027
- Provide 100% cyber safety training coverage across the organisation

Short-term Targets

Business Ethics and Integrity:

- Conduct awareness programs and mandatory code of conduct training
- Ethical business conduct and Zero tolerance to violations through robust culture building and training.

Sustainability Governance:

- Adopt sustainability governance across the organization and integrate with ERM framework

Data Privacy and Cybersecurity:

- Conduct annual vulnerability threat assessment, and IT & OT security Gap & Convergence Assessment
- Conduct cyber safety awareness program for targeted audience within the organization and ensure 100% coverage



Sustaining the Resources That Sustain Us

Our dependence on resources including water, land, biodiversity and clean air is intrinsic to long-term value creation. We work to reduce extraction intensity, restore ecological balance where possible, and align resource use with environmental thresholds to maintain continuity and resilience.

Natural Capital

Climate and Environment

At Granules India, our climate action strategy is centred around a deep understanding of our greenhouse gas (GHG) emissions, alignment with global best practices and the development of a well-defined transition roadmap. We have developed long-term decarbonization strategies, set clear expectations both within our operations and across our value chain and mobilised resources to support our low-carbon transition.

Our efforts focus on enhancing energy efficiency, adopting cleaner power sources and investing in sustainable infrastructure across all facilities.

Climate Action Transition Plan

We have developed a comprehensive Climate Action Transition Plan in collaboration with Siemens to achieve net zero emissions by 2050. This roadmap outlines a systematic approach to reduce emissions across Scope 1, Scope 2 and Scope 3, in line with global climate goals.

Scope 1

Reducing Direct Emissions

At the operational level, our focus is on improving energy efficiency, transitioning from coal to biomass-based fuels and electrifying systems currently powered by fossil fuels. Detailed technical assessments have been conducted at key facilities such as Bonthapally and Gagillapur to identify high-emission sources and implement Carbon Emission Reduction Measures (CERMs). These include process optimisation, lowering coal consumption and upgrading air handling systems and compressors.



Scope 2

Addressing Indirect Emissions

To reduce emissions from purchased electricity, we are increasing our reliance on renewable energy sources. This includes a combination of on-site renewable energy generation, power purchase agreements (PPAs) and the acquisition of renewable energy certificates (RECs). These efforts are steadily decarbonizing our power mix across all manufacturing units.

Scope 3

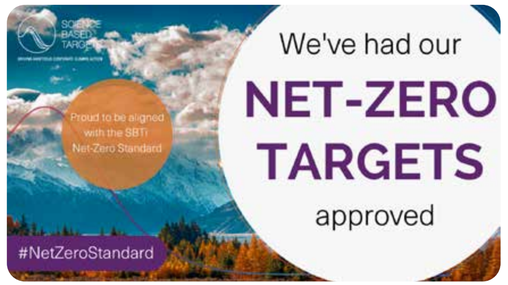
Driving Value Chain Decarbonization

As the most complex and extensive emissions category, Scope 3 is being addressed through supplier partnerships, advancing green chemistry practices and promoting sustainable sourcing. Through structured engagement programmes, we prioritise suppliers aligned with our environmental objectives. Central to these efforts is our CZRO initiative, which develops green molecules using low-impact technologies such as bio-catalysis and continuous manufacturing. We also participate in global forums such as COP28, contributing to broader industry transformation toward sustainability.

Science Based Targets Initiative (SBTi) Validation

Granules India has received official validation from the Science Based Targets initiative (SBTi) for its near-term and long-term GHG emission reduction targets, aligned with the 1.5°C pathway. These approved targets position us to achieve net zero emissions by FY50 or earlier. We are among a select group of Indian pharmaceutical companies whose targets have been approved under SBTi's latest framework. This recognition reflects our commitment to integrating sustainability into every facet of our business operations and reaffirms our core purpose of healing lives responsibly through pioneering green science. It also highlights our role in decarbonization initiatives across our value chain and within our core business processes.

While this validation represents a major milestone, it strengthens the need for decisive action. We are actively implementing a series of near-term interventions focused on enhancing energy efficiency, transitioning our boilers to alternative, lower-carbon fuels, accelerating the adoption of renewable energy across our operations and collaborating with suppliers through our Supplier Sustainability Programme.



Granules India's Net Zero Commitment and Emissions Reduction Goals

Net Zero Commitment:
Achieve net zero GHG emissions across our entire value chain, including subsidiaries, by FY50.

Near-Term Targets:
Reduce absolute Scope 1 and 2 emissions by 42% and Scope 3 emissions by 42% by FY 2030 (based on FY 2023 baseline), while transitioning to 100% renewable electricity by the same year.

Long-Term Goals:
Achieve a 90% reduction in Scope 1, 2 and 3 emissions by FY 2050.

What is SBTi?

The Science Based Targets initiative (SBTi) is a globally recognised collaboration between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It enables companies to set GHG emissions reduction targets that are in line with the goal of limiting global warming to 1.5°C above pre-industrial levels. SBTi provides clear, science-aligned pathways to help companies translate climate ambitions into actionable plans.

Natural Capital

Focus Areas Across the Value Chain

Supplier Sustainability Programme

Through our Supplier Sustainability Programme, we are actively engaging with our vendors to address and reduce Scope 3 emissions, which constitute a significant portion of our overall carbon footprint. A major contributor to these emissions is the use of chemical inputs in our product portfolio. Leveraging the CZRO platform, we collaborate with suppliers to decarbonize these inputs and embed sustainability across the entire product lifecycle.

Green Molecules: Pioneering Carbon Reduction

A key pillar of our sustainability strategy is the development of green molecules. Granules CZRO, a wholly owned subsidiary, is leading this initiative. A state-of-the-art 100-acre greenfield site is currently under development to serve as a manufacturing hub for green APIs, key starting materials and intermediates. The facility is being designed to operate entirely on round-the-clock green energy, with minimal reliance on external resources. It aims to achieve near-zero carbon emissions across Scope 1, 2, and 3 emissions.

Green Chemistry and Process Efficiency

The second key area of focus is on cleaner and more efficient synthesis methods. We are adopting principles of green chemistry, such as bio-catalysis, flow chemistry and the use of enzyme-based bio-transformation techniques, which offer significant environmental benefits over traditional metal-catalysed processes. These include milder reaction conditions, lower toxicity and improved biodegradability. We have developed an internal Eco Scale framework, which assesses performance across 38 sub-parameters, including yield, safety, effluent generation and infrastructure optimisation.

Sustainable Formulation Development

We are also reimagining pharmaceutical formulation to reduce environmental impact. This includes innovations such as solvent-free and polymer-free processing, low water-use technologies and the use of plant-based excipients. These efforts are supported by collaborations with academic institutions, including with NIPER and target the creation of direct-compression crystals and resource-efficient dosage forms.

Building Internal Culture for Climate Action

To embed climate action across the organisation, we are raising awareness and enhancing internal practices. Key initiatives include encouraging virtual meetings to minimise travel-related emissions, promoting shared employee transportation through company-operated buses and installing EV charging stations at our manufacturing sites. These measures aim to gradually integrate sustainability into our workplace culture and help reduce operational emissions beyond core production activities.

Green Infrastructure: Genome Valley Facility

Our upcoming formulation facility at Genome Valley is being developed as a green building with the capacity to add 10 billion dosages. It incorporates energy-efficient systems, water conservation features and the use of renewable energy. Sustainable design elements include topsoil preservation, sedimentation pits and a rainwater harvesting system capable of capturing up to 50% of roof and surface runoff, with storage for two to three days of rainfall.

To support sustainable construction, at least 50% of construction waste is diverted from landfills through strict segregation and reuse protocols. The facility stands as a model of sustainable infrastructure and is aligned with our long-term growth and environmental strategy.



GHG Emissions

Over the past three years, Granules has consistently advanced our efforts to reduce greenhouse gas (GHG) emissions intensity, demonstrating a strong commitment to decoupling emissions from output. From FY23 to FY25, our total Scope 1 and Scope 2 (market-based) emissions decreased from 1,12,571 tCO_2e to 76,267 tCO_2e, representing a 32.2% reduction. This was achieved despite fluctuations in production volumes, underscoring improved operational efficiency and climate performance.

FY23

Combined emissions stood at **1,12,571 tCO_2e**, with a production output of **56,906 metric tonnes,** resulting in an emissions intensity of **1.98 tCO_2e per metric tonne.**

FY24

Emissions declined to **87,886 tCO_2e**, while production increased to **60,626 metric tonnes.** Emissions intensity reduced to **1.45 tCO_2e per metric tonne,** reflecting a **21.9% decrease** from the base year.

FY25

Emissions further decreased to **76,267 tCO_2e** and although production reduced to **50,075 metric tonnes,** emissions intensity remained low at **1.52 tCO_2e per metric tonne,** highlighting continued efficiency and effective emissions control measures.

This sustained improvement has been driven largely by a sharp reduction in Scope 2 (market-based) emissions, which declined from 56,306 tCO_2e in FY23 to 18,852 tCO_2e in FY25. This reflects a strategic transition to renewable electricity sources, reinforcing our commitment to low-carbon operations and robust emissions monitoring.

Our Goal

Achieve Net Zero Emission by 2050

Our Progress

32.2% Absolute reduction in GHG emissions
(Scope 1 & Scope 2)

23% Intensity reduction in GHG emissions
(Scope 1 & Scope 2) as compared to base year

Natural Capital

GHG summary by Scope & category

GHG Emissions	Unit	FY 2022-23	FY2023-24	FY2024-25
Scope 1	tCO_2e	56,265	56,254	57,414
Scope 2 (Market based)	tCO_2e	56,306	31,632	18,853
Scope 2 (Location – Based)	tCO_2e	62,433	60,191	60,148
Scope 1 + 2 (Market Based)	**tCO_2e**	**1,12,571**	**87,886**	**76,267**
Scope 1+2 (Location Based)	**tCO_2e**	**1,18,698**	**1,16,445**	**1,17,562**
Scope – 3 GHG Emissions				
Category 1 – Purchase Goods & Services	tCO_2e	4,95,807	5,14,516	3,60,046
Category 2 – Capital Goods	tCO_2e	4,705	10,265	17,521
Category 3 – Fuel and Energy Related Activities	tCO_2e	26,788	22,579	24,196
Category 4 – Upstream Transportation & Distribution	tCO_2e	8,392	8,557	8,488
Category 5 – Waste Generated from Operations	tCO_2e	2,992	3,571	2,074
Category 6 – Business Travel	tCO_2e	295	850	377
Category 7 – Employee commuting	tCO_2e	1,476	1,571	1,064
Category 8 – Upstream Leased Assets	tCO_2e	587	1,628	341
Category 9 – Downstream Transportation	tCO_2e	22,381	24,827	20,648
Category 10 – Processing of Sold Products	tCO_2e	46,658	41,187	29,905
Category 11 – Use of Sold Products	tCO_2e	-	-	-
Category 12 – End of Life Treatment of Sold Products	tCO_2e	4,031	4,287	3,402
Category 13 – Downstream Leased Assets	tCO_2e	-	-	-
Category 14 – Franchises	tCO_2e	-	-	-
Category 15 – Investments	tCO_2e	-	-	-
Total Scope 3 Emissions	**tCO_2e**	**6,14,113**	**6,33,837**	**4,68,062**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e of Production	1.98	1.45	1.52
Scope 3 emission intensity in terms of physical output	tCO_2e of Production	10.79	10.45	9.35

Scope 1 and Scope 2 Analysis by Site

Units & Locations	Scope 1 tCO2e	Scope 2 tCO2e (Market based)	Total (Scope 1+Scope 2 Market-based)
GIL- Gagillapur	14,294	1,759	16,053
GIL-I Bonthapally	27,672	1,016	28,688
GIL-II Jeedimetla	3,392	308	3,700
GIL-III Bonthapally	1,980	753	2,733
GIL-IV Vizag	3,573	6,030	9,603
GIL-V Vizag	6,472	6,944	13,416
Corporate office	0	272	272
R&D Units	30	1,771	1,801
Total	**57,414**	**18,853**	**76,267**



Measures to Reduce GHG Emissions

We are actively implementing programmes to reduce GHG emissions across our major manufacturing facilities at Bonthapally and Gagillapur. By identifying high-emission utilities and applying technical interventions, we are advancing our decarbonization strategy. A detailed assessment of energy-intensive assets, such as boilers, HVAC systems, air handling units and compressors, has guided the development of a carbon emissions reduction roadmap.

The action plan includes HVAC optimisation, reduction in coal consumption and efficiency enhancements in air compressors. Each measure is supported by engineering assessments, clear responsibilities, baseline metrics and projected savings. These interventions reduce both thermal and electrical emissions through supply-side changes such as replacing coal with biomass-based fuels and increasing the share of renewable electricity as well as demand-side improvements such as condensate recovery, pump optimisation and chiller upgrades.

Energy Efficiency Highlights: FY 2024–25

Across our manufacturing facilities, we implemented a range of energy-saving measures that collectively saved approximately 998,494 kWh of electricity and reduced emissions by approximately 1,250 metric tonnes of CO_2, delivering cost savings of nearly ₹80 lakh.

- **Gagillapur:** Commissioned a 667 kWp rooftop solar plant, avoiding 524.89 metric tonnes of CO_2. Additional measures such as online tube cleaning for chillers and replacing electric heaters with hot water coils saved 345,000 kWh and 251 metric tonnes of CO_2.
- **Bonthapally:** Installed Variable Frequency Drives on pump systems, saving 457,920 kWh and avoiding 332.91 metric tonnes of CO_2.
- **Jeedimetla:** Adopted Auto Power Factor Control panels and improved air dryer efficiency, saving 1,89,400 kWh and avoiding 137 metric tonnes of CO_2. Further improvements in piping systems delivered additional savings of 5,832 kWh and 4.24 metric tonnes of CO_2.

Expanding Renewable Energy Use

We continue to expand our use of renewable electricity, significantly reducing our reliance on fossil fuels:

- At Gagillapur, we sourced 6,081 MWh of renewable power through Power Purchase Agreements, avoiding 4,420 tCO_2e emissions.
- Across Gagillapur, Bonthapally and Jeedimetla, we procured 50,000 MWh of Renewable Energy Certificates, offsetting 36,350 tCO_2e.
- Renewable electricity now accounts for 93.7% of total electricity at Gagillapur, 92.3% at Bonthapally and 90.8% at Jeedimetla.
- Across the organisation, 68.7% of our total electricity consumption is from renewable sources.
- Including biofuels, renewables represent 24.2% of our total energy mix.

In FY25, we successfully avoided over **42,020** tCO_2e emissions through a combination of energy efficiency measures, renewable energy procurement and operational optimisation. These outcomes support our science-based targets and reinforce our commitment to Net Zero.

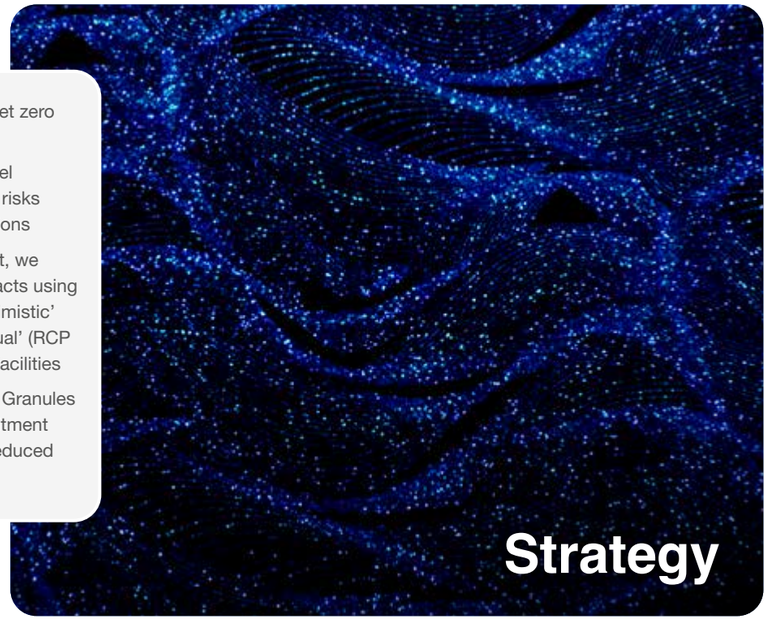


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TCFD Core Pillars and Our Progress



- A comprehensive sustainability governance system governs our climate risks and opportunities
- A three-tier system has been formed to monitor our climate risks, opportunities, and initiatives with efficiency. It includes a board sustainability and corporate social responsibility committee, a management team at the execution level, and plant-level teams



- We have committed to reach net zero emissions by 2050
- We have identified regional-level physical and transition climate risks based on TCFD recommendations
- In our physical risk assessment, we evaluated climate change impacts using IPCC scenarios, including ‘optimistic’ (RCP 4.5) and ‘business as usual’ (RCP 8.5), across all manufacturing facilities
- Our new greenfield facility and Granules CZRO demonstrate our commitment to eco-friendly products and reduced emissions in our supply chain



- Our enterprise risk management framework offers critical guidelines for identifying and managing all risks, including climate and ESG risks
- In FY 24, we adopted TCFD recommendations for assessing our climate risks and opportunities
- Our internal risk committee engages in an annual risk mapping exercise through responses
- We have initiated a comprehensive water and risk assessment using the TCFD framework



- We assess our climate-related risks and opportunities through varied targets
- We have a climate action transition plan seeking to achieve climate resilience by adopting green molecules and green chemistry and creating breakthroughs in formulation manufacturing
- The Granules’ Climate Commitment sets clear goals for transparency in climate targets, reducing Scope 1, 2, and 3 emissions, and adopting renewable energy



In response to increasing sustainability and climate risks, we are enhancing our risk evaluation and monitoring framework to build resilience, strengthen risk management systems, and identify opportunities for viable business prospects.

To enhance our climate strategy, we are implementing key measures aligned with TCFD recommendations. We will assess climate risk and opportunities in the coming years to identify significant risks starting with a detailed evaluation of climate and water risks under the TCFD framework for effective environmental risk management.

Our focus is to determine Granules' risk resilience and identify opportunities for low-carbon transition, covering multiple climate scenarios, including current practices, net-zero transition, and worst-case outcomes. We will also evaluate the supply chain to mitigate potential climate-related business continuity risks.

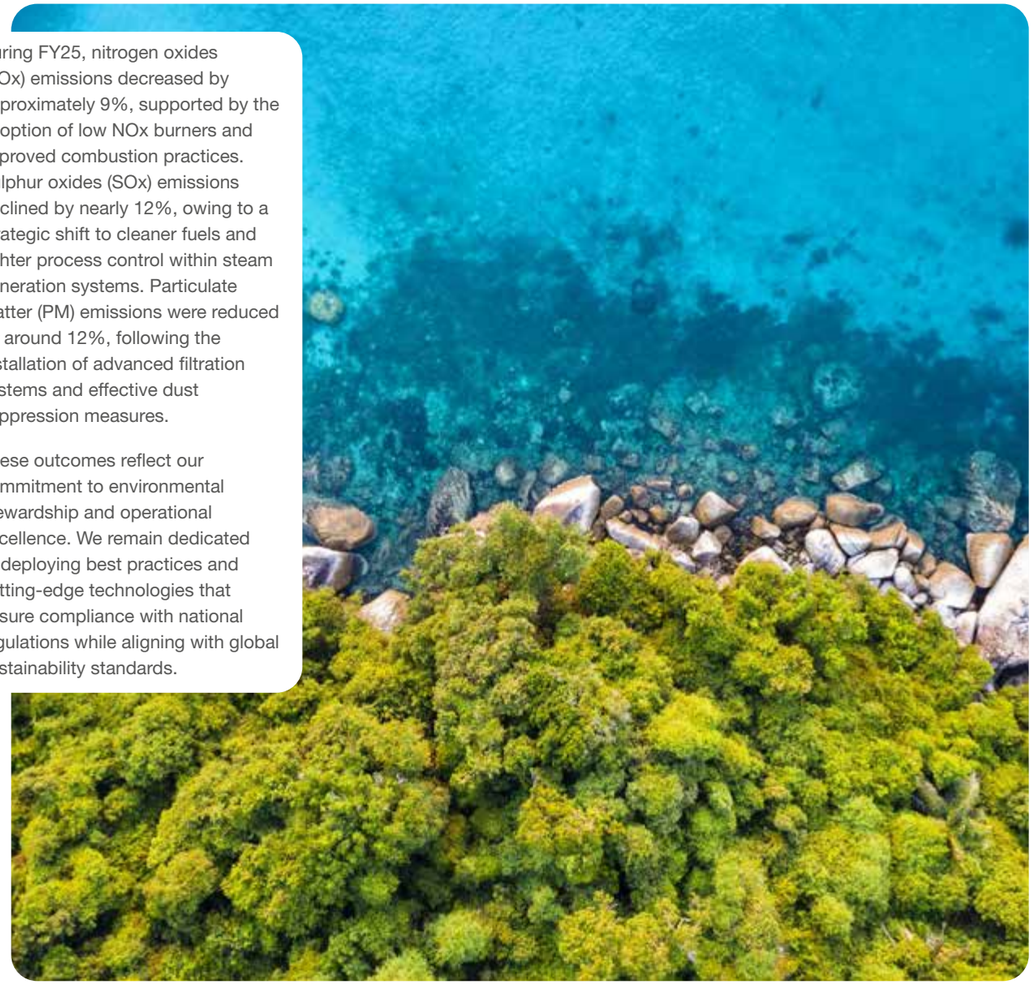
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Air Emissions

We recognise that controlling air emissions is essential for preserving environmental quality and safeguarding the health and safety of surrounding communities. As part of our broader sustainability efforts, we are continually investing in cleaner technologies and process improvements to reduce emissions across our operations, yielding consistent and measurable improvements.

During FY25, nitrogen oxides (NOx) emissions decreased by approximately 9%, supported by the adoption of low NOx burners and improved combustion practices. Sulphur oxides (SOx) emissions declined by nearly 12%, owing to a strategic shift to cleaner fuels and tighter process control within steam generation systems. Particulate matter (PM) emissions were reduced by around 12%, following the installation of advanced filtration systems and effective dust suppression measures.

These outcomes reflect our commitment to environmental stewardship and operational excellence. We remain dedicated to deploying best practices and cutting-edge technologies that ensure compliance with national regulations while aligning with global sustainability standards.

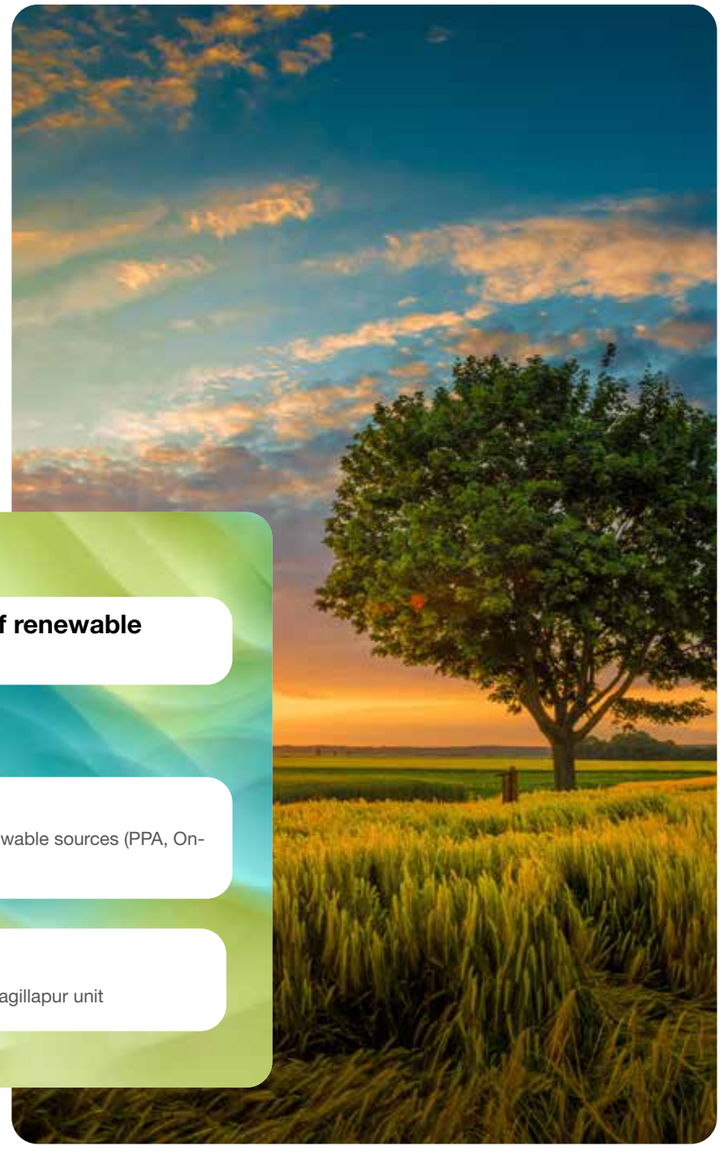


Parameter	Unit	FY 2024-25	FY 2023-24
NOx	MT	59.5	65.3
SOx	MT	175	198.56
Particulate matter (PM)	MT	72.34	82.08

Energy Management

In FY25, we continued to advance our sustainable energy agenda by significantly increasing the share of renewable sources in our overall energy consumption. Renewable energy use, including biofuels and electricity from green sources, rose to 204.49 terajoules, up from 143.59 terajoules in FY24. This increase reflects our focused investments in clean energy infrastructure and procurement efforts.

During the year, 68.7% of the electricity consumed across our operations was sourced from renewable energy, marking a notable improvement compared to the previous year. To support this transition, we procured 50,000 megawatt hours (MWh) of renewable electricity through International Renewable Energy Certificates, aligning our energy sourcing with global sustainability benchmarks. Also, our Gagillapur facility sourced 6,081 MWh of renewable power through power purchase agreements (PPAs). As a result, renewable electricity now accounts for over 90% of consumption across all major manufacturing sites and represents 24.2% of our total energy mix.



Our Goal

Achieve 100 % sourcing of renewable electricity by FY30

Our Progress

68.7%

Of Electricity Consumption from Renewable sources (PPA, On-site Rooftop, I-RECs) in FY 25

1 MW

On-site rooftop solar capacity at our Gagillapur unit

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Shifting the Energy Mix

While our overall energy consumption remained stable year-on-year, we achieved a significant shift in our energy mix shifted towards cleaner alternatives. Coal consumption, which was previously our primary energy source, declined notably due to process improvements and operational changes. Similarly, furnace oil usage also declined sharply, as we transitioned away from heavier fuels. Consumption of high-speed diesel and petrol reduced significantly, driven by improvements in logistics and the adoption of cleaner alternatives.

Site-Level Energy Efficiency Measures

We implemented multiple energy efficiency initiatives across our manufacturing sites to further reduce emissions and optimise consumptions. At our Gagillapur facility, the installation of a 667 kW rooftop solar plant enabled the avoidance of approximately 525 metric tonnes of CO2 emissions.

Additional upgrades, such as online tube cleaning systems for chillers and replacing electric heaters with hot water coils, further enhanced energy efficiency.

At Bonthapally, the installation of variable frequency drives in pump systems resulted in energy savings of nearly 4,58,000 kWh and a reduction of over 330 metric tonnes of CO2 emissions. At our Jeedimetla unit, the deployment of remote monitoring technologies and targeted process improvements contributed to measurable reductions in energy consumptions and associated emissions.

Energy	Unit	FY 2022-23	FY2023-24	FY2024-25
Total Electricity consumption	MWh	77,078	84,066	82,735
Electricity from Renewables Sources (PPA + On site + I-RECs)	MWh	7,565	39,885	56,803
% of Renewables Energy share of consumed Electricity	**%**	**9.8**	**47.4**	**68.7**
Fuels Consumption				
Coal Consumption	MT	22,149	2,1732	21,855
HSD Consumption	KL	742	508	469
Furnace Oil Consumption	MT	64.50	63.62	61.30
Petrol Consumption	KL	0.76	3.26	3.1
Energy by Source				
Energy from Electricity Consumption	TJ	277.5	302.6	297.85
Energy from Fuels Consumption	TJ	592.2	573.3	583.23
Total Energy in TJ	TJ	869.7	875.95	881.1
Energy Intensity – TJ/Production	**TJ/MT**	**0.01528**	**0.01445**	**0.01760**

Energy Consumption by Location

Unit & Location	Energy From Electricity consumption (TJ)	Energy From Fuel Consumption (TJ)	Total Energy Consumption by Location in TJ
GIL - Gagillapur	137.6	148.1	285.7
GIL- I, Bonthapally	65.5	274.7	340.2
GIL- II, Jeedimetla	16.6	39.0	55.6
GIL- III, Bonthapally	3.7	21.3	25.0
GIL- IV, Vizag	29.9	33.5	63.4
GIL- V, Vizag	34.4	66.3	100.7
Corporate office	1.3	0.0	1.3
R&D - PGN (RC1)	1.5	0.0	1.6
R&D - PGN (RC2)	1.3	0.1	1.4
R&D - Genome Vally	5.5	0.2	5.7
R&D - Pune	0.4	0.1	0.5
GIL-Total	**297.8**	**583.3**	**881.2**

Renewable Energy Share by Location

Unit & Location	Total Energy Consumption by Location in TJ
GIL - Gagillapur	93.7%
GIL-I, Bonthapally	92.3%
GIL-II, Jeedimetla	90.8%
GIL-Total	**68.7%**

Our Way Forward

Looking ahead, we will accelerate the adoption of renewable energy and reduce reliance on fossil fuels. These initiatives are integral to our environmental strategy and are aligned with national and international climate goals. Through these efforts, we aim to strengthen the long-term sustainability and operational efficiency of our business.



Water Management

Recognising the pharmaceutical industry's reliance on water, we have adopted a resource-conscious strategy that focuses on conservation, efficiency and treatment. Our goal is to minimise our water footprint across operations by actively monitoring and managing consumption at manufacturing units, R&D centres and corporate offices. This approach is aligned with our environmental objectives and the principles of a, focusing on reducing withdrawals, maximising reuse and protecting local water ecosystems.

In FY 2024–25, our total freshwater withdrawal across all locations was 3,59,149 KL/0.359 ML, of which 2,16,823 KL/0.216 ML were consumed. Wastewater generation during the year stood at approximately 1,42,326 KL /0.142 ML . Of this, 62,928 KL/0.063 ML, representing around 44.2%, was recycled and reused within operations. The remaining 78,968 KL/0.078 ML of treated wastewater were safely discharged, in compliance with applicable environmental regulations.

Both Bonthapally Unit-1 and Unit-3 operate zero-liquid-discharge (ZLD) systems, ensuring every drop of wastewater is treated and returned to the process. At Gagillapur, an effluent treatment plant (ETP) enables partial reuse; the remainder is sent to the local common effluent treatment plant (CETP) for further treatment and disposal. All other facilities situated in common industrial areas likewise pre treat their efforts before transferring them to the CETP, fully meeting regulatory obligations.

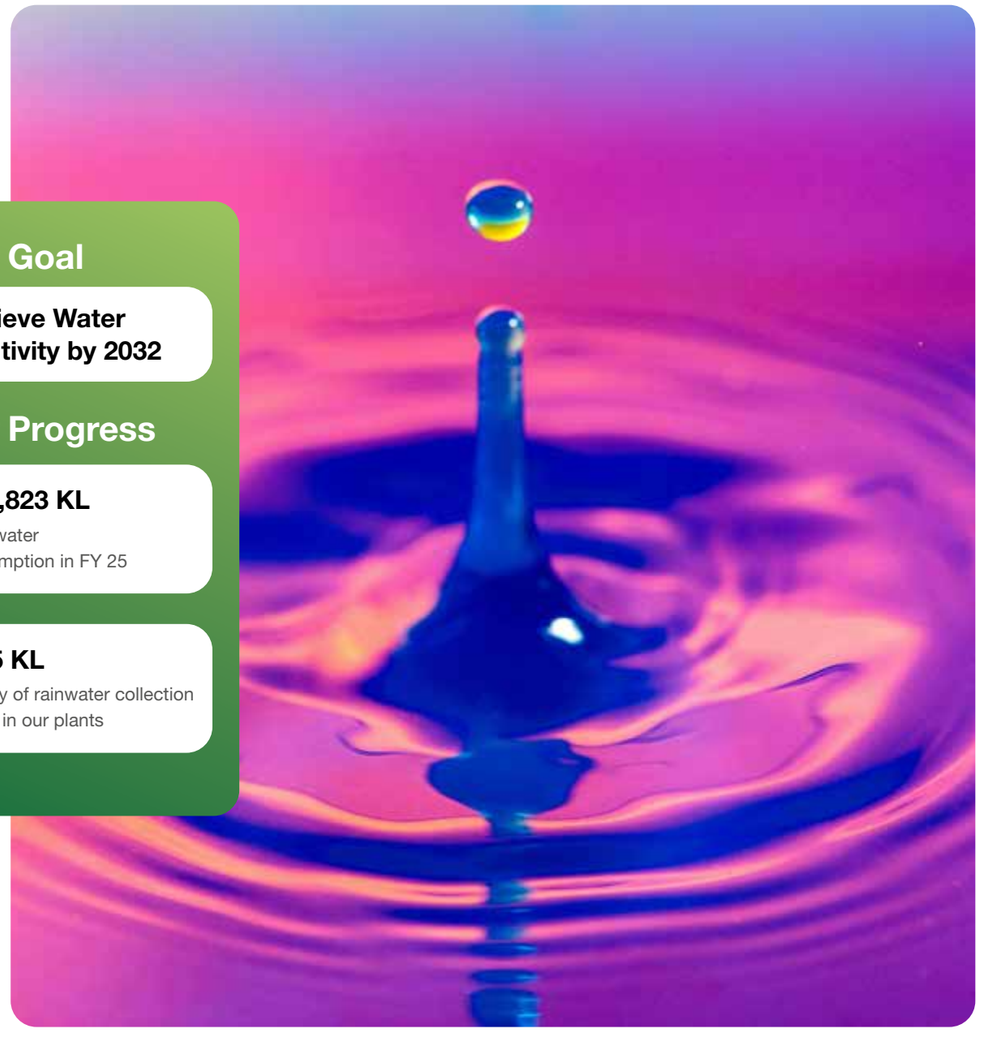
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Effluent Management and Circular Practices

Our Bonthapally (unit-1 & 3) and Gagillapur equipped with Zero Liquid Discharge (ZLD) systems, ensuring that no untreated wastewater is released into the environment. These systems are supported by Effluent Treatment Plants (ETPs), Reverse Osmosis (RO) recovery systems and other advanced treatment technologies, enabling the recovery and reuse of treated wastewater and significantly reducing our dependence on freshwater sources.

Strategic Water and Effluent Initiatives

- Optimising processes and deploying water-efficient technologies to reduce freshwater withdrawal.
- Implementing ZLD systems to ensure complete reuse of treated effluents.
- Investing in advanced water treatment infrastructure, including a 400 KLD ETP, 100 KLD STP and 200 KLD MEE.
- Implementing rainwater harvesting systems to support groundwater recharge.
- Conducting regular monitoring and compliance assessments to meet regulatory and internal standards.



Our Goal

Achieve Water Positivity by 2032

Our Progress

2,16,823 KL
Freshwater consumption in FY 25

1,165 KL
capacity of rainwater collection system in our plants

Water and Waste Water	Unit	FY 2022-23	FY2023-24	FY2024-25
Water withdrawal by source				
Surface Water	KL	0	0	0
Ground Water	**KL**	**0**	**0**	**0**
Third Party Water	KL	341008	3,68,002	3,56,980
Sea water/ Desalinated water	KL	0	0	0
Rainwater Harvesting	KL	11,143	0	2,169
Total volume of water withdrawal	**KL**	**3,52,151**	**3,68,002**	**3,59,149**
Total volume of water consumption	**KL**	**1,93,125**	**2,26,083**	**2,16,823**
Water intensity in terms of physical output	**KL/MT of Production**	**6.19**	**6.070**	**7.172**
Waste Water Generated (LTDS+HTDS)	KL	1,59,026	1,41,919	1,42,326
Recycle of Waste water generated	KL	81,804	55,083	62,928
Percentage generated Waste Water Recycled	%	51%	39%	44%
Water discharge by destination and level of treatment (in kilolitres)				
To Surface Water	KL	0	0	0
To Ground Water	KL	0	0	0
To Sea Water	KL	0	0	0
Sent to third-parties	**KL**	**68,821**	**79,216**	**78,968**

Site-Wise Highlights

- The Gagillapur facility recorded the highest water withdrawal at 1,74,149 kilolitres, with 34,960 kilolitres recycled, contributing significantly to internal water reuse and circularity.
- The GIL- I Bonthapally unit recycled nearly all of its wastewater, treating 25,310 kilolitres out of 25,560 kilolitres.
- GIL- III Bonthapally achieved a strong recycling performance by treating almost the entirety of its wastewater generated.
- GIL- II Jeedimetla and GIL-V Parawada reported relatively higher discharge volumes due to infrastructure constraints.



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Water Consumption & Disposal Details in KL (FY 24-25)

Unit & Location	Water Withdrawal	Water Consumption	Waste water Generation	Waste Recycled	Waste water Disposed
GIL-I, Bonthapally	71,596	46,035	25,561	25,310	60
GIL-II, Jeedimetla	26,621	5,951	20,670	0	20,670
GIL-III, Bonthapally	4,763	1,966	2,798	2,658	0
GIL-IV, Parawada	34,212	20,931	13,281	0	13,281
GIL-V, Parawada	39,032	33,015	6,017	0	6,017
GIL- Gagillapur	174,149	105,114	69,035	34,960	33,980
Others (R&D and HO)	8,776	3,811	4,964	0	4,960
Total	**359,149**	**216,823**	**142,326**	**62,928**	**78,968**

Waste Management

Guided by the principles of circular economy principles, our approach aims to minimise environmental footprint across the product lifecycle and decouple production growth from waste generation.

We follow an integrated, lifecycle-based waste management framework that focuses on:

- Minimising waste at source through process improvements and the adoption of clean manufacturing technologies.
- Promoting reuse and recycling, with particular emphasis on plastics and solvents in routine operations.
- Ensuring safe and compliant disposal, in adherence to ISO 14001 standards and national environmental regulations.
- Implementing Extended Producer Responsibility (EPR) to manage post-consumer waste, particularly plastic packaging.

To strengthen our systems, we have embedded sustainability-related key performance indicators (KPIs) into our operational framework. Cross-functional collaboration for procurement, operations and contractor management is driven by a culture of environmental responsibility and rigorous segregation at source. This approach enhances resource efficiency, ensures regulatory compliance and contribute to broader sustainability and public health objectives.

Our Goal

Achieve Zero waste to landfill by 2030

Our Progress

80%
hazardous waste sent for co-processing

100%
non-hazardous waste sent for reuse/recycle



EPR Programme

As a registered member under the Extended Producer Responsibility (EPR) framework, Granules India is committed to managing the environmental impact of its products beyond the point of sale. Through the EPR programme, we assume responsibility for the collection, recycling of post-consumer waste, particularly plastic packaging, ensuring compliance with regulatory requirements and supporting a circular economy.

Waste Disposal Methods

At Granules India, all waste is managed in strict compliance with applicable environmental regulations and industrial best practices. Each waste category is addressed through specific disposal methods that prioritise safety, regulatory compliance and opportunities for recycling or reuse wherever feasible.

Plastic Waste

Plastic waste is either recycled or safely disposed of through authorised recyclers, in accordance with the Government of India's Plastic Waste Management Rules and our obligations under the Extended Producer Responsibility (EPR) guidelines.

E-waste

All electronic waste is handled by recyclers registered with the Central Pollution Control Board (CPCB). This ensures proper dismantling, material recovery and environmentally responsible disposal.

Hazardous Waste

Hazardous waste is either sent to authorised Treatment, Storage and Disposal Facilities (TSDFs) or co-processes in cement kilns. This method ensures safe disposal and enables partial energy recovery.

Biomedical Waste

Biomedical waste is disposed of through authorised Common Biomedical Waste Treatment Facilities (CBWTFs), aligned with the Biomedical Waste Management Rules.

Waste management Initiatives

At Granules, we follow a disciplined and structured approach to waste management, aimed at minimising environmental impact and enhancing resource efficiency. Our strategy focuses on reducing waste generation at source, ensuring regulatory compliance and embedding circular economy principles into core operations. In FY 2024–25, we generated approximately 6,086 metric tonnes of total waste, down from 7,236 metric tonnes in the previous year. This decline reflects the positive impact of ongoing operational streamlining efforts.

Hazardous and Non-Hazardous Waste Handling

Of the total waste generated, hazardous waste accounted for 3,194 metric tonnes, with nearly 2,540 metric tonnes directed for co-processing. This enables energy and material recovery, in line with circular economy principles. Only a small portion was directed to landfilling and incineration, as we prioritise more sustainable disposal methods. Non-hazardous waste included 873 metric tonnes of plastic waste and 2,004 metric tonnes of general waste, all of which were managed through proper segregation and disposal, in accordance with regulatory requirements.

E-waste and Battery Waste Management

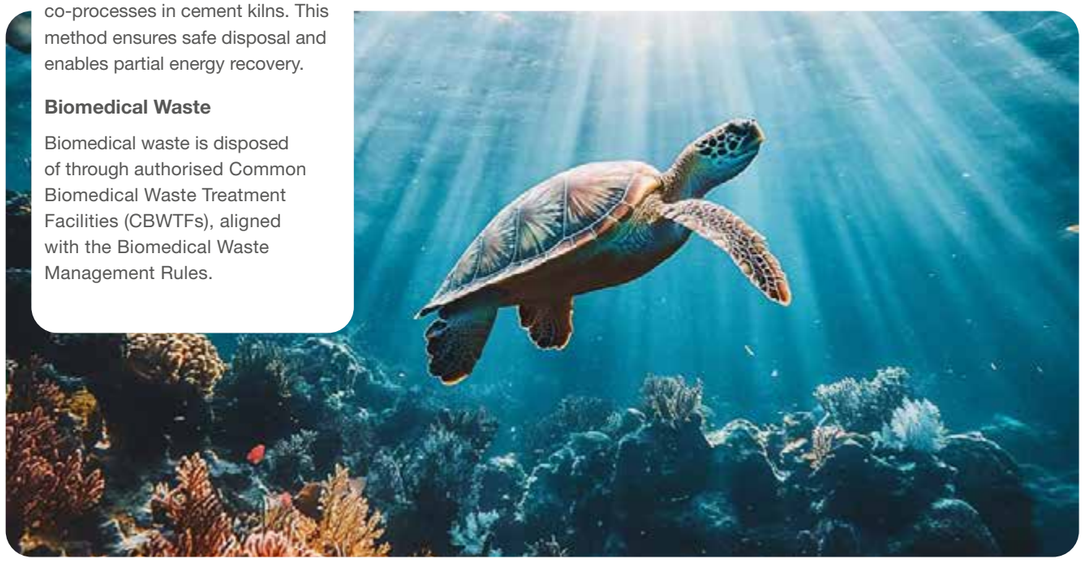
We made progress in managing e-waste and battery waste through the implementation of structured disposal mechanisms. Battery waste was managed through a vendor buy-back programme, ensuring responsible and compliant disposal. All waste handling practices adhered to ISO 14001 standards and national environmental regulations.

Waste Intensity and Efficiency Focus

Waste intensity for the year stood at 0.122 metric tonnes per ton of production, showing a marginal increase over the previous year. This indicates the importance of ongoing efforts to improve waste efficiency relative to production output.

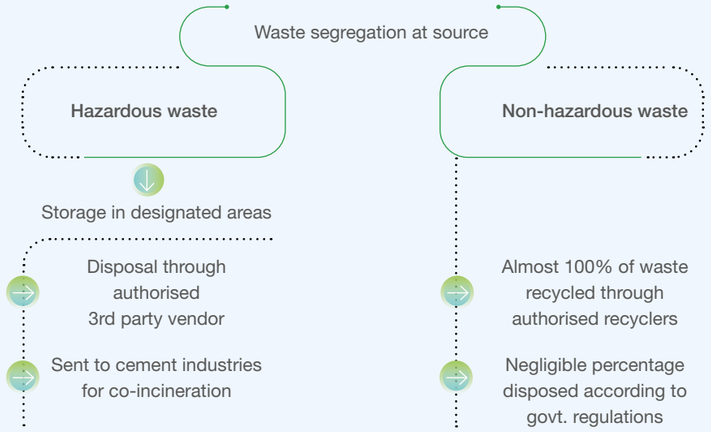
Advancing Circularity Across Operations

As part of our commitment to sustainability, we continue to promote circularity through targeted initiatives such as solvent recovery, plastic recycling and the use of alternative fuels and raw materials for co-processing. These efforts reflect our focus on responsible resource use and environmental stewardship.



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Waste Stream Flowchart



Hazardous waste generated across our operations arises from various activities including manufacturing, quality control, and maintenance. Key waste streams include ETP sludge, PPE waste, tablet waste, QC lab waste, incineration waste, waste oil, evaporation salts, off-specification products, process residues, spent carbon, solvent residues, stripper distillate, insulation waste (wool and puff), inorganic salts, expired chemicals, spent mixed solvents, empty barrels and containers, thermacol, used chemicals, and glass waste.

Non-hazardous waste generated at our facilities primarily results from routine industrial processes and packaging activities. This includes HDPE and LDPE waste, mild steel (MS), stainless steel (SS), paper, plastic (including PVC plastic), wood, aluminium, glass, solvents, and coal ash.

All hazardous waste is handled, stored, and disposed of in strict accordance with applicable environmental regulations and industry best practices to ensure safety and compliance.

All non-hazardous waste is segregated at source and managed responsibly through recycling, reuse, or disposal via authorised vendors, in compliance with relevant environmental standards.

Overview of Waste Management

Waste	Unit	FY 2022-23	FY2023-24	FY2024-25
Haz. Waste disposed to Landfill	MT	406.32	398.373	584.255
Haz. Waste disposed to Inc incineration	MT	63.235	71.52	69.344
Haz. Waste disposed to Co-processing	MT	2,664.07	3,482.355	2,540.54
Total Hazardous Waste	**MT**	**3,133.6**	**3,952.2**	**3,194.1**
Plastic Waste	MT	1,081.7	1,106.6	873.4
Non-Hazardous Waste (Other than Plastic Waste)	MT	1,946.9	2,170.3	2,004.3
Bio Medical Waste	MT	1.228	3.009	5.7
Battery Waste	MT			4.38
E-Waste	MT	1.55	1.29	3.76
Waste Oil	MT	3.5	2.57	0.25
Total Waste	**MT**	**6,169**	**7,236**	**6,086**
Waste Intensity	**MT/Tons of Production**	**0.108**	**0.119**	**0.122**

Waste Disposal by Category in MT	in MT
E-Waste	3.8
Haz. Waste – Landfill	584.3
Haz. Waste – AFRF/Coprocess	2540.5
Haz. Waste – Incineration	69.3
Bio Medical Waste (BMW)	5.7
Haz. Waste – Recycle	0.3
Non-Hazardous Waste (Plastic)	873.4
Non-Hazardous (Others)	2004.3
Battery Waste	4.4
Grand Total	**6086.0**

Waste Management by Disposal Method	in MT
Disposed	659.3
Recycle	2886.1
Reused	2540.5
Grand Total	**6086.0**

Waste Disposal by Location	in MT
Corporate office	0.7
GIL – I, Bonthapally	2466.0
GIL – II, Jeedimetla	256.3
GIL – III, Bonthapally	186.0
GIL – IV, Parawada	513.4
GIL – V, Parawada	97.1
GIL – Gagillapur	2547.7
R&D – Pune	2.1
R&D – Genome Vally	15.5
R&D PGN1	1.1
Grand Total	**6086.0**



Natural Capital

Biodiversity Management

At Granules, we support biodiversity as an integral part of our broader Environmental, Social and Governance (ESG) strategy.

One of our key initiatives in this area is the Green Heartfulness Run, through which we planted native tree saplings at Kanha Shanti Vanam in Telangana. This initiative supports the restoration of indigenous plant species, enhances green cover and contributes to climate regulation and soil health. By prioritising native tree species, we encourage the preservation of local wildlife and help build a more resilient and balanced ecosystem.

Our biodiversity initiatives are integrated into our broader ESG framework and we seek opportunities to collaborate with environmental organisations and community-based programmes to increase our positive impact. Looking ahead, we aim to incorporate biodiversity risk assessments into new project planning and further strengthen our efforts to support nature across all our operational locations.



15,000
Native tree saplings planted at Kanha Shanti Vanam in Telangana



Plantation at Jalagam Vengala Rao Park

Sustainability Insights Across Granules' Subsidiaries

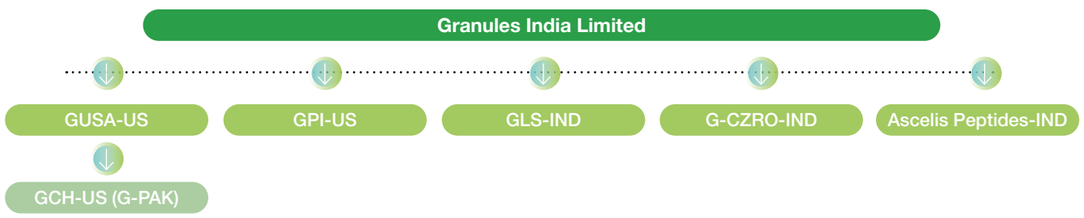
We are taking focused steps to integrate sustainability practices across all levels of our organisation, including our subsidiaries. By monitoring and evaluating their ESG performance, we are building a cohesive and aligned approach towards our net zero aspirations. Wherever feasible, we are mapping key ESG indicators across our subsidiaries to ensure consistency, transparency and shared accountability

Our subsidiaries, i.e., Granules USA Inc., Granules Pharmaceuticals Inc., Granules Life Sciences and Granules CZRO Private Limited, are integral to our global pharmaceutical operations. Strategically located, these entities support the development, manufacturing and distribution of APIs, pharmaceutical formulations and generic medicines. Their coordinated efforts ensure a seamless and efficient supply chain, enabling us to deliver high-quality, affordable healthcare solutions across major global markets.

We also recognise that perceptions of sustainability can vary significantly across manufacturing sites in different geographies. These differences are shaped by both intrinsic factors, such as individual values and motivations, as well as extrinsic influences, including regulatory requirements. Therefore, fostering sustainability as a shared organisational culture across our diverse operations is essential to our long-term success.



Granules' Subsidiaries



Note

- Effective 1st April 2025, Granules USA, Inc. (GUSA) was merged into Granules Pharmaceuticals Inc. (GPI), and Granules Consumer Health (GCH) became a subsidiary of GPI.
- Granules Peptides Private Limited, incorporated in March 2025, was renamed Ascelis Peptides Private Limited in June 2025. As there were no operations during the reporting period, no data have been reported.

Granules Pharmaceuticals Inc. (GPI)

Granules Pharmaceuticals Inc. (GPI), a wholly owned subsidiary of Granules India, is located in Chantilly, Virginia. The facility spans over 1,00,000 square feet and is approved by both the US FDA and DEA. GPI houses R&D and manufacturing operations focused on low-volume, oral solid dosage forms. GPI's product portfolio includes tablets, capsules, oral solutions and powders for oral solutions, all manufactured at the Chantilly site. The Company also markets its products directly in the US under the GPI brand. Additionally, GPI oversees the commercialisation of medium- to high-volume products manufactured at Granules' Finished Dosage facilities in India, as well as Trade Agreement Act (TAA)-compliant products produced at its US facility.

Granules USA (GUSA)

Granules USA (GUSA), another wholly owned subsidiary of Granules India, operates out of New Jersey and serves as the sales and distribution arm for North America. Established in 2003, GUSA was formed to provide agile, responsive service to customer across the region. The Company supplies high-quality Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs) and bulk tablets to major generic and branded pharmaceutical companies, nurturing long-standing and trusted partnerships.

Granules Consumer Health (GCH), a step-down subsidiary of GUSA, operates as Granules' front-end division for private-label over-the-counter (OTC) products in the US. Founded in 2014, GCH offers affordable OTC generics that meet stringent quality standards, providing cost-effective alternatives to brand-name products. Leveraging Granules India's manufacturing efficiencies, regulatory compliance, and integrated supply chain, GCH packages products in the US and supplies them to store-brand partners.

Granules Life Sciences Private Limited (GLS)

Granules Life Sciences Private Limited, based in Hyderabad, Telangana, is a wholly owned subsidiary of Granules India. It significantly enhances the Company's finished dosage manufacturing capabilities, contributing an additional 10 billion dosage units annually.

Granules CZRO Private Limited (G-CZRO)

Granules CZRO Private Limited is a wholly owned Indian subsidiary of Granules India, established to advance the Company's commitment to sustainable manufacturing through the production of green chemicals. A pilot facility for Dicyandiamide (DCDA) has been set up in Visakhapatnam, Andhra Pradesh and is currently undergoing process stabilisation.

Sustainability Performance

Social & Governance

Granules has built a diverse and skilled workforce across its divisions, with each team contributing meaningfully to our pursuit of leadership in sustainable pharmaceuticals. We cultivate an inclusive and forward-looking work environment, driven by passionate individuals who advance our operations and sustainability goals.



Number of employees – FY25

197 GPI	**126** GUSA
302 GLS	**17** G-CZRO

Environmental Performance

We continuously monitor the environmental performance of our subsidiaries and align our data tracking with multiple international frameworks to enhance consistency and strengthen global reporting practices.

GHG Emissions

FY2024-25	Category	Unit	GLS	G-CZRO	GPI	GUSA	Total
Scope – 1	Direct Emissions from Fuels	tCO_2e	155	42	1,893	145	2,235
Scope – 2 (Location Based)	Indirect Emissions from Electricity Consumption	tCO_2e	5,963	333	1,642	349	8,287
Scope – 2 (Market Based)	Indirect Emissions from Electricity Consumption	tCO_2e	5,963	333	1,642	349	8,287
	Total Scope 1+2 (Market Based)	tCO_2e	**6,118**	**375**	**3,535**	**494**	**10,522**
Scope 3	Category 1 – Purchased Goods & Services	tCO_2e	2,519	11,629	2,016	1,410	17,575
Scope 3	Category 2 – Capital Goods	tCO_2e	29,324	1,261	2,352	151	33,088
Scope 3	Category 3 – Fuel and Energy Related Activities	tCO_2e	1,590	97	700	111	2,498
Scope 3	Category 4 – Upstream Transportation & Distribution	tCO_2e	2,201	23	82	168	2,474
Scope 3	Category 5 – Waste Generated from Operations	tCO_2e	48	1	52	29	129
Scope 3	Category 6 – Business Travel	tCO_2e	4	24	50	36	114
Scope 3	Category 7 – Employee Commuting	tCO_2e	57	3	316	227	603
Scope 3	Category 8 – Upstream Leased Assets	tCO_2e	-	-	954	162	1,116
Scope 3	Category 9 – Downstream Transportation & Distribution	tCO_2e	99	-	288	187	573
Scope 3	Category 10 – Processing of Solid Products	tCO_2e			-	-	-
Scope 3	Category 11 – Use of Solid Products	tCO_2e	-	-	-	-	-
Scope 3	Category 12 – End of Life Treatment of Solid Products	tCO_2e	0.327	-	0.205	-	0.53
Scope 3	Category 13 – Downstream Leased Assets	tCO_2e	-	-	-	-	-
Scope 3	Category 14 – Franchises	tCO_2e	-	-	-	-	-
Scope 3	Category 15 - Investments	tCO_2e	-	-	-	-	-
	Scope 3 emissions		**35,842**	**13,038**	**6,811**	**2,481**	**58,171**
	Scope 1 +Scope2 (Market Based) +Scope 3		**41,960**	**13,413**	**10,346**	**2,975**	**68,693**



Water Withdrawal

Water at our subsidiaries is primarily utilised for manufacturing, cleaning, drinking, and other essential activities.

Water Withdrawal in KL

13,204 GPI	**751** GUSA
62,941 GLS	**11,177** G-CZRO

Energy Consumption

At GPI and GUSA, natural gas and electricity are the main energy sources. In our Indian subsidiaries, high-speed diesel is primarily used to power our diesel generator (DG)

Energy Consumption in TJ

55.72 GPI	**7.27** GUSA
31.88 GLS	**2.21** G-CZRO

Waste Management

Hazardous and non-hazardous waste data has been reported by all relevant subsidiaries of the company.

Hazardous Waste Disposal in MT

4.08 GPI	**0** GUSA
18.8 GLS	**0** G-CZRO

Non-Hazardous Waste Disposal in MT – FY25

77 GPI	**143.6** GUSA
0 GLS	**0** G-CZRO

Business Responsibility and Sustainability Report



Granules BRSR - Executive Summary

Granules is committed to responsible business practices and sustainable growth, with a purpose of **Healing lives responsibly through pioneering green science**. Our Business Responsibility and Sustainability Report outlines our dedication to environmental stewardship, social responsibility, and robust governance, while showcasing our accomplishments and outlining our future goals.

KEY HIGHLIGHTS:

- Our **Net Zero target by 2050, approved by the Science Based Targets** initiative (SBTi), is aligned with the 1.5°C pathway.
- We achieved a **"B"** rating in the CDP Climate assessment, marking a two-level improvement from previous assessment.
- Granules received a **"Gold rating"** in our very first corporate-level assessment by **EcoVadis,** placing us in the **top 5%** of all rated companies globally across all industries with an overall score of **79/100** and a **97th percentile** rank, this recognition is huge impetus to our strong commitment to sustainable, ethical, and responsible business practices.
- Published our **inaugural Sustainability Report in FY 2023–24,** aligned with the GRI Standards and the UN Global Compact (UNGC) principles.
- Received **Golden Peacock Awards for sustainability** for outstanding contributions towards leadership in corporate sustainability.

Our Business Responsibility & Sustainability Report demonstrates our commitment to the nine principles of the National Guidelines on Responsible Business Conduct ("NGRBC") as well as our progress against the stated objectives across environmental, social and governance ("ESG") parameters.

The BRSR disclosures are in terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and consists of three sections:

- **Section A** provides a broad overview of the business, its offerings, business and operations footprint, employees, related parties, Corporate Social Responsibility (CSR) and transparency
- **Section B** covers management and process disclosures related to the businesses aimed at demonstrating the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements
- **Section C** provides essential, and leadership indicator-wise disclosures mapped to the nine principles of NGRBC

For FY 24-25 The Bureau Veritas (India) Pvt. Ltd. – an independent third party has verified and assured the data disclosed in this Report.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

We are committed to conducting business with integrity and ensuring our practices uphold high ethical standards by adhering to laws and considering social and environmental impacts.

- 100% of our employees are trained on our Code of Conduct
- 100% of Key suppliers are assessed during onboarding and regularly in defined intervals on ethical business conduct as part of the Vendor management procedure
- 100% of plants and offices are assessed through SMETA (Sedex Members Ethical Trade) Audits/ Pharmaceutical Supply Chain Initiative (PSCI)/ Customer and Regulatory Audits
- We continuously engage with our value chain partners to ensure high ethical standards across our value chain

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

We are committed to conducting business with integrity and ensuring our practices uphold high ethical standards by adhering to laws and considering social and environmental impacts.

- Conducted product carbon footprint assessment for the products that constitute 80% of our spending by engaging with our value chain partners
- 100% of Key Starting Materials (KSMs) are sourced from Good Manufacturing Practices (GMP) compliant vendors
- Our R&D expenditure to reduce the environmental impacts of the products increased by 45% in the reporting year
- Registered with the Central Pollution Control Board (CPCB) under EPR guidelines

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

We respect and promote the health and well-being of all our employees, including those across our value chain.

- No fatal incident
- 31.6% reduction in recorded incidents
- 100% of our employees and workers were given training on safety work practices
- 100% Return -to- Work rate
- All Manufacturing facilities certified for ISO 45001 (Health and Safety Management System)
- 100% of our employees were covered for annual health screenings and medical insurance benefits

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.

We respect and uphold the interests of all our stakeholders and engage with them frequently.

As a global pharmaceutical company with a diverse set of stakeholders spread across geographies, we consistently engage with our stakeholders to explore opportunities for collaboration to enhance our core capabilities and create shared.

- We became a member of the Pharmaceutical Supply Chain Initiative (PSCI), reinforcing our commitment to responsible and sustainable supply chain practices
- We engaged and supported the suppliers to enable the determination of the carbon footprint of products through our supplier sustainability program
- Several internal stakeholder engagements were undertaken to develop a sustainability strategy and internal KRAs on sustainability
- Customer engagement through channels like Pharmaceutical Supply Chain Initiative (PSCI), M2030, Project Gigaton, SMETA (Sedex Members Ethical Trade)

Principle 5: Businesses should respect and promote human rights.

We uphold the principles of dignity, freedom, and fairness in the workplace, ensuring every employee is respected and valued. We are committed to creating an inclusive environment where all team members can work without discrimination or bias.

- Committed to the principles of the United Nations Global Compact (UNGC) is to align our business operations and strategies with these universally recognized principles, which encompass human rights, labor, environment, and anti-corruption
- Granules received a “Gold rating” in our first corporate-level EcoVadis Sustainability Assessment, placing us in the 97th percentile with an overall score of 79/100, including a score of 74/100 in Labour and Human Rights.
- 100% of employees trained on the Code of Conduct, which includes human rights issues.
- 100% of employees received wages above the minimum requirements set by local labor laws
- Over 90% of our value chain partners were assessed for selected human rights issues
- All our employees are trained on whistle-blower mechanisms to facilitate informed and open discussion and reporting of issues
- The median annual remuneration of employees at Granules is over six lakhs rupees

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

To promote a healthier planet, we are dedicated to minimizing our environmental impact by implementing sustainable practices, such as reducing waste, conserving resources, and lowering emissions.

- We are committed to achieving Net Zero by 2050, with our target approved by the Science Based Targets initiative (SBTi) and aligned with the 1.5°C pathway
- We achieved a “B” rating in the CDP Climate assessment, marking a two-level improvement from previous assessments
- Granules received a “Gold rating” in our first corporate-level EcoVadis Sustainability Assessment, placing us in the 97th percentile with an overall score of 79/100, including a score of 78/100 in Environment
- 32.2% of our Scope 1+2 Absolute Emission reduction compared to base year FY23
- 68.7% of electricity consumption is from Renewable Energy sources (PPA, Roof Top solar, and I-RECs)
- 44.2% of wastewater generated is recycled
- 80% of our hazardous waste is sent to Co-Processing
- 24.2% of the total energy we consumed was sourced from renewable energy sources (Biofuel, PPA, Roof Top solar, and I-RECs)
- The total on-site solar power capacity at our Gagillapur site has reached 1 MW, following the successful installation and commissioning of a 667 kWp rooftop solar system
- Comprehensive scope-3 Inventorization using the most accurate methodology and relevant emission factors
- All manufacturing plants are certified for ISO 14001 (Environmental Management System)

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

We are committed to engaging transparently in shaping public and regulatory policies, ensuring our contributions are clear and accountable.

- We are a Member of the **British Safety Council and National Safety Council of India**
- Developed a public advocacy policy at Granules for policy advocacy engagements
- Founding Member of Center for Fourth Industrial Revolution (C4IR)- World Economic Forum
- Addressed CPHI Milan on "Sustainable Futures: Navigating the Scope 3 Challenge – Zero Carbon Molecules in Pharma's Decarbonization Journey" highlighting innovative strategies for reducing indirect emissions across the pharmaceutical value chain
- As active members of the Bulk Drug Manufacturer Association of India (BDMAI), we represent the pharmaceutical industry and engage in meaningful dialogue with other members, peers, and government bodies
- Member of the Pharmaceutical Supply Chain Initiative (PSCI) & Confederation of Indian Industry (CII)

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

We respect and promote the health and well-being of all our employees, including those across our value chain.

- All customer complaints were resolved within defined timelines, with none pending at year-end
- 100% of products include information on environmental impact, safe usage, and disposal
- No data breaches or privacy incidents were reported during the year

Principle 8: Businesses should promote inclusive growth and equitable development.

We continuously engage with local communities to foster solid relationships and promote equitable development.

- 90% of our CSR spend to skill development and community health – benefits vulnerable and marginalized communities
- Over 1,450 rural youth have benefited from Pharma Pathashala, a placement-linked skill development program for those who have completed their 10+2, since its inception in 2017, with 250+ participants in the current year
- Launched mobile women's cancer screening units in collaboration with AIG Hospital, providing free breast cancer screenings, with over 1,500 consultations and benefiting more than 3,500 individuals through free awareness sessions to date
- Provided over 6,000 nutritional kits in collaboration with the Ministry of Health & Family Welfare, Government of Telangana, to support tuberculosis patients in Bhadradri Kothagudem district
- Over 600 students from ZP High School and MPP School in Bonthapally benefited through the provision of Vidya Volunteers to support and supplement the teaching staff.
- Over 1,507 students have benefited from free eye screening camps organized by Granules India in association with LVPEI (L V Prasad Eye Institute) across seven schools near its unit
- Over 80 students, supported by Granules in partnership with PSS Trust, are actively benefiting from educational initiatives in Bonthapally and surrounding villages
- We work closely with NGOs, local communities, and government agencies to create sustainable solutions and drive positive change
- Over 5,000 residents have benefited from the construction of two overhead water tanks, with capacities of 150 KL and 100 KL, to address the drinking water needs of Bonthapally and Veerannagudem villages
- About 7,500 clay Ganesh idols were distributed in association with TSPCB to promote environmental awareness.
- Over 550 students from three government schools benefited from the distribution of education kits
- A contribution has been made to the 12th Biennial Conference of the World Telugu Federation through a CSR initiative, demonstrating a commitment to promoting art, language, and culture
- Over 15,000 native trees have been planted in collaboration with the Heartfulness Institute as part of our commitment to environmental sustainability

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24110TG1991PLC012471
2.	Name of the Listed Entity	Granules India Limited
3.	Year of Incorporation	1991
4.	Registered office address	15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad, Telangana - 500084, India
5.	Corporate office address	15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad, Telangana - 500084, India
6.	E-mail	investorrelations@granulesindia.com
7.	Telephone	040-69043500
8.	Website	https://granulesindia.com/
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up capital	₹ 242.54 (in million)
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Chaitanya Tummala, Company Secretary, Phone No: 040-69043500, Email: investorrelations@granulesindia.com
13.	Reporting Boundary	The disclosures made in this Report are on a standalone basis for Granules India Limited
14.	Name of assurance provider	Bureau Veritas (India) Pvt. Ltd
15.	Type of assurance obtained	BRSR Core – Reasonable assurance Remaining part of BRSR – Limited assurance

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 entity
1.	Pharmaceuticals	Development, manufacturing and sale of Active Pharmaceutical Ingredients (API), Pharmaceutical Formulation Intermediates (PFI) and Finished Dosages (FD)	100%

17. Products/services sold by the entity (accounting for 90% of the entity's turnover)

Sl. No.	Product and Services	NIC Code	% of Total Turnover Contributed
1.	Manufacture of allopathic pharmaceutical preparations	21002	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	8 Manufacturing and 4 R&D	1	13
International	2	1	3

Domestic operations include manufacturing units of its Indian subsidiaries—Granules Life Sciences (GLS) and Granules CZRO (GCZRO)—along with the facilities of Granules India Limited and its Corporate Office.

International operations comprise Granules Pharmaceuticals Inc. (GPI, USA), Granules Consumer Health (GCH, USA), and the office of Granules USA Inc. (GUSA).

Effective 1st April 2025, Granules USA Inc. (GUSA) became a step-down subsidiary of Granules Pharmaceuticals Inc. (GPI).

Granules Peptides Private Limited, incorporated in March 2025, was renamed Ascelis Peptides Private Limited in June 2025. There were no physical operations during the reporting period.

Plants in India	Location
Finished Dosage Unit	160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District- 5000 043, Telangana, India
API Unit – I	Sy. No. 533, 535, 536, 537 Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana, India.
API Unit – II	Plot No. 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 055, Telangana, India.
API Unit – III	Sy.No.216, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana, India.
API Unit – IV	Plot No 8, J.N. Pharma City, Tadi Village, Parawada Mandal, Anakapalli District – 531 019, Andhra Pradesh, India.
API Unit – V	Plot No. 30, J. N. Pharma City, Parawada Mandal, Anakapalli District – 531 019, Andhra Pradesh, India.

R&D Centers (National)	Location
1.	Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram Village, Qutubullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 072, Telangana, India.
2.	Survey Nos. 234/1 to 4 and 6 to 7, 235 /6 to 9 and 245/1 to 3, India Land Global Industrial Park, Hinjewadi Phase -1, Mulshi Taluka, Pune District – 411 057, Maharashtra, India.
3.	H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutubullapur Mandal, Medchal- Malkajgiri District, Hyderabad – 500 072, Telangana, India.
4.	Lab No: 11 & 13, Building No:1800, Sy No. 101,101/2 & 340, M. N. Park, Genome Valley, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal- Malkajgiri District, 500 078, Telangana, India.

19. Markets served by the entity

a) Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	80+ Countries

b) What is the contribution of exports as a percentage of the total turnover of the entity?

92.38% of the business comes from exports.

c) A brief on types of customers

Granules India Limited (GIL) is a distinguished pharmaceutical company specializing in the production of Active Pharmaceutical Ingredients (API), Pharmaceutical Formulation Intermediates (PFI), and Finished Dosages (FD) products. Since its establishment in 1991, the company has successfully expanded into key international pharmaceutical markets, including the United States of America, Canada, Latin America, Europe, Asia Pacific, and India.

Renowned for its innovative processes and exceptional efficiencies, Granules India Limited supplies a diverse range of over 60 molecules and pharmaceutical products to more than 300 customers across 80 countries. The company maintains a strong global presence with offices strategically located in India, the United States, and the United Kingdom.

Granules India Limited operates ten state-of-the-art manufacturing facilities, with Eight located in India and two in the USA. These facilities hold regulatory approvals from esteemed bodies such as the US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC, and HALAL, ensuring adherence to international quality standards.

Granules is a preferred supplier of superior quality pharmaceutical products for the world's leading branded pharma and generics companies, as well as to the top retailers in developed markets. Exports now contribute over 92% of the Company's revenue.

IV. Employees

20. Details as of March 31, 2025

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)	4066	3684	91%	382	9%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total Employees (D+E)**	**4066**	**3684**	**91%**	**382**	**9%**
	WORKERS					
1.	Permanent(F)	0	0	0	0	0
2.	Other than Permanent (G)	2100	1699	81%	401	19%
3.	**Total Workers (F+G)**	**2100**	**1699**	**81%**	**401**	**19%**

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)	1	1	NA	NA	NA
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
3.	**Total differently-abled employees (D+E)**	**NA**	**NA**	**NA**	**NA**	**NA**
	DIFFERENTLY-ABLED WORKERS					
1.	Permanent(F)	NA	NA	NA	NA	NA
2.	Other than Permanent (G)	NA	NA	NA	NA	NA
3.	**Total Workers (F+G)**	**NA**	**NA**	**NA**	**NA**	**NA**

21. Participation/inclusion/representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	%(B/A)
Board of Directors	12	3	25%
Key Management Personnel*	7	3	43%

*Key Management Personnel comprise of Managing Director, Executive Directors, Chief Financial Officer, and Company Secretary

22. Turnover rate for permanent employees and workers:

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	21%	30%	25%	16%	25%	38%	42%	38%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding/ subsidiary/ associate companies/ joint ventures:

Sl. No.	Name of Holding/ Subsidiary/ Associate Companies/ Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Granules USA, Inc.	Subsidiary	100%	No
2.	Granules Pharmaceuticals, Inc.	Subsidiary	100%	No
3.	Granules Peptides Private Limited	Subsidiary	100%	No
4.	Granules Life Sciences Private Limited	Subsidiary	100%	No
5.	Granules CZRO Private Limited	Subsidiary	100%	No

Note : Granules Peptides Private Limited, incorporated in March 2025, was renamed Ascelis Peptides Private Limited in June 2025 and there were no operations during the reporting period.

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

a) **Turnover (in Rs):** ₹ 30,302 million

b) **Net worth (in Rs)** ₹ 34,030 million

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	2	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	580	0	-	486	0	-
Value Chain Partners	Yes	0	0	-	0	0	-

All factory units have a Grievance redressal committee to redress individual grievances.

- **Communities:** Community members can report their grievances by documenting them and submitting a written complaint to the HR manager of the respective units. The Plant Head, in coordination with the respective stakeholder, addresses these grievances. The Unit Administration promptly handles all grievances from the communities. To date, no significant concerns have been reported.

- **Investors/Shareholders:** The Stakeholders Relationship Committee examines and addresses various aspects of shareholder interests. This Committee plays a crucial role in ensuring cordial and productive investor relations by overseeing the mechanisms established for the redressal of investor grievances. Granules has implemented a comprehensive Investors Grievance Redressal Policy. This policy outlines the procedures and protocols for addressing any concerns or issues raised by investors, ensuring that their grievances are managed promptly and effectively.

  https://granulesindia.com/wp-content/uploads/2022/03/Investor-Grievance-Redressal-Policy.pdf

- **Employees:** Granules has established robust internal mechanisms to effectively address grievances related to human rights issues. Employees and stakeholders are encouraged to report any concerns regarding human rights violations through multiple channels, including direct communication with their managers, the Head of the Department, the Unit HR Manager, or the Compliance Officer. As a standard practice, we encourage employees to discuss or report concerns to their managers. However, if any individual is uncomfortable reporting a potential violation to their supervisor, they are encouraged to raise their concerns with the Head of Department, Unit HR Manager, or Compliance Officer. This approach ensures that all concerns are handled promptly and following our commitment to ethical conduct and accountability.

- **Customers:** All the customer complaints that were received have been resolved in a time frame as stated in our Quality standard operating procedures and proposed improvements incorporated into the processes, and the Company makes sure that no complaints are pending at the end of the financial year. To report an adverse experience with a specific Granules drug product, one can call the Granules Pharmacovigilance Team or report at - drugs.safety@granulesindia.com

  Customer complaints pertain to packaging, quality, transit, and others.

- **Value Chain Partners:** At Granules, we are committed to maintaining strong, transparent, and mutually beneficial relationships with our value chain partners. To ensure that any grievances or concerns are addressed promptly and effectively, we have established a comprehensive Grievance Redressal Procedure. The Downstream-related grievances are handled by the marketing team; Upstream grievances are handled by supply chain management. In case of any queries or concerns partners can reach out to https://granulesindia.com/registeras-supplier/.

26. Overview of the entity's material responsible business conduct issues:

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	Climate Change and GHG Emissions	Risk / Opportunity	Risk: Climate Change will increase the frequency of natural disasters like heat waves, flooding, and cyclones, which have the potential to physically impact our operations. Climate Change will also lead to transition risks like regulatory, legal, technological, and market-based risks. Opportunity: Granules is focused on converting transition risk into opportunities through innovation across manufacturing and close collaboration with the value chain.	Granules is adopting a comprehensive approach to GHG risk and mitigation. Estimating GHG emissions on Scope 1, 2, and 3 with supplier engagement has been one of the key initiatives in the reporting year. Additionally, Granules has implemented various initiatives to improve energy efficiency in the manufacturing area to reduce GHG emissions. The decarbonisation plan is being embedded into the business process. One of our key programs is CZRO, which will support the transformation of climate risk into opportunities.	Negative in the shortterm and positive in the Long- Term.
2	Water Management	Opportunity	Effective water and effluent management measures increase our operational efficiency, ensure compliance with regulatory requirements, and enhance the resilience of our business towards water, a critical resource.	We are maintaining a Zero Liquid Discharge (ZLD) System and Effluent Treatment Plants with RO Recovery System to ensure that the effluents generated are treated to minimize the environmental impact and reuse the resources wherever possible. The treated water is suitably recycled back into the utility makeup. We have reduced our dependence on groundwater through water conservation techniques, such as rainwater harvesting, recycling, and effluent water treatment.	Positive

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)
3	Waste Management	Risk/ Opportunity	Risk: Waste-related regulations pose a risk to the companies in the sector. Opportunity: A comprehensive resource management plan will help Granules reduce waste generation support in climate initiatives and bring circularity.	Under clean manufacturing, all the solid wastes generated at our manufacturing plants are either sent to cement industries for co-processing or to authorized vendors. Hazardous and non-hazardous waste is segregated at the source and stored in dedicated spaces in the manufacturing facilities. Hazardous waste is stored category-wise in hazardous waste storage areas and disposed of at Pollution Control Board-authorized disposal facilities as per applicable regulations. Almost 100% of the non-hazardous waste generated is sent to authorized recyclers for recycling, creating an effective and efficient waste management system. EPR program: Granules registered member under the Extended Producer responsibility (EPR) framework, reaffirming our commitment to sustainable waste management. Through EPR, we take responsibility for the post-consumer stage of our products, ensuring environmentally sound collection, recycling, and disposal practices.	Negative/ Positive
4	Employee Engagement and Well Being	Opportunity	The wellness and Well-being of the employees are Granules priorities. This supports granules in achieving the business goals and opportunities.	"Granules wants to be an employer of choice." Employee well-being is our topmost priority. The company organizes quarterly health awareness campaigns and conducts meditations and stress management sessions with eminent speakers. The Company has tied up with the "Ekincare" integrated platform that provides access to many healthcare services such as 24*7 chat with doctors, health check-ups at concessional rates, medicines purchase and delivery, and access to gyms etc. Annual health check-ups and insurance are provided to the employees. This will help the management achieve its goals in terms of creating a conducive work environment and helping employees realize their potential.	Positive
5	Occupational Health & Safety	Risk	Risks related to Exposure of employees to Work-related Hazards and potential legal liabilities due to workplace accidents. Failure to comply with these standards leads to regulatory, reputational, and business continuity risks, which may, in turn, adversely impact our business's sustainability.	We strive to adhere to the standards of Environment, Health & Safety (EHS) and Sustainability. We have an occupational health and safety management system certified as per ISO 45001:2018. To enhance safety performance, we also undertake third-party safety audits through reputable agencies. We also have Occupational Health Centers in all Manufacturing facilities and have medical assistance around the clock. We have introduced a Night Manager to enhance safety monitoring during the night hours. Employees are provided with training to make them familiar with applicable Health and Safety guidelines and report any unsafe conditions or acts, or near misses to the functional heads. Process risk analysis and HAZOP were conducted.	Negative
6	Human capital Development	Opportunity	Higher Employee retention and enhanced skills support organizational growth and our ability to have a positive impact on communities.	We value diversity in our workforce and make all efforts to ensure that we provide an inclusive working environment and can attract and retain diverse talent. Also, we encourage and nurture talent within the organization by conducting skill development and career development workshops. Granules has partnered with Swarna Bharat Trust to provide skill development programs and nurture talent. Here youth are allowed to participate in the "Earn & Learn" program. Students who are trained at Pharma Pathshala are allowed to work with us after successfully completing the program. We have launched the "Granules Learning Academy" concept, which includes Training Grass-Root employees on the Fundamentals of Unit Operation in Manufacturing and Quality Control. Role- based training on guidelines and standards is being initiated for managers engaged in pharmaceutical manufacturing.	Positive
7	Business Ethics and Integrity	Risk	Business integrity breach can hamper the Company's credibility and affect Brand image.	Our Code of Conduct covers all stakeholders, including groups, Suppliers, Contractors, NGOs, and others. We always encourage our employees and all stakeholders not to engage in unfair trading practices, irresponsible advertising, or anti-competitive behaviour. We have procedures to ensure that the Company's business is carried out fairly and responsibly.	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)
8	Data Privacy and Cyber Security	Risk	Threat of Cyber Attacks resulting in loss of reputation and business continuity.	The lack of a strong data integrity and security mechanism may lead to increased data breaches and the loss of valuable data. Therefore, several mitigation measures have been planned over the years and continue to be implemented. Some of the Mitigation Measures of Granules are: 1. Preparation/Revision of SOPs like IT Policy and Information Security backups. 2. All servers and firewall devices are upgraded, and licenses are renewed. 3. A vulnerability Assessment is completed by a third party, and Remedial measures taken. 4. ISO 27001 certification is planned. 5. IT compliance (w.r.t 21 Code of Federal Regulations (CFR) Part 11 6. Gap assessment for all GxP systems by third party. 7. Third party support for management of IT and Data Security. 8. Establish Disaster Recovery Site for critical applications. 9. Implement Cloud Backup for critical applications.	Negative

SECTION B:

MANAGEMENT AND PROCESS DISCLOSURE

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question		P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESSES										
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web link of the policies, if available	https://granulesindia.com/investors/investor-resources/policies/ (Internal Policies - P2, P3, P5, P6, P9)								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, at present, our policies under P1, P3, P5 are extended to our suppliers and contractors.								

4. Name the national and international codes/ certifications/ labels/ standards

Principle 1	Quality Management System (ISO 9001:2015)
Principle 2	We don't have a certification currently. We are reviewing the possibilities of Incorporating the principles of ISO 20400 across our organization.
Principle 3	Occupational Health and Safety Management System (ISO 45001:2018)
Principle 4	At Granules, we involve key stakeholders in the process of devising our long-term ESG vision. We conduct Materiality assessment in consultation with all our Internal and External Stakeholders as per GRI standards.
Principle 5	We conduct our business in a manner that abides by human rights and the dignity of people. We intend to undergo a social Accountability Assessment (SA8000) across our organization.
Principle 6	Environmental Management System (ISO 14001:2015), ISO 14064 (GHG Accounting), GHG protocol
Principle 7	We play a strong role in public policy advocacy through regular engagement with specific external stakeholders, including industry associations, government bodies, and regulatory departments. We are Developing a public advocacy policy at Granules for policy advocacy engagements.
Principle 8	We undertake various CSR activities that address the needs of the community. We currently do not have any international codes/ certifications/labels/standards. We intend to undergo a social Accountability Assessment (SA8000) across our organization.
Principle 9	Granules is committed to understanding and meeting customer expectations while fostering long-term business partnerships. Operating in a highly regulated industry overseen by global health authorities, our products consistently meet regulatory standards. we undergo regular audits by various health authorities to ensure the quality and safety of our products and facilities.

5. Specific commitments, goals and targets set by the entity with defined timelines, if any

Climate and Environment Targets	**Midterm to Long-term Targets**
	• Granules' climate goal aligned with the science-based target for limiting global warming to a 1.5°C temperature goal.
	  • Achieve Net Zero by 2050
	  • Reduce Scope 1 and Scope 2 absolute emissions by 42% by FY30 from FY 23 baseline
	  • Reduce Scope 3 absolute emission by 42% by FY30 from FY23 baseline
	• Sourcing 100% renewable electricity by 2030
	• Adopt supplier's sustainability framework and encourage strategic suppliers to set science-based emission reduction targets by FY27
	• Achieve Zero waste to landfill by 2030
	• Achieve Water Positivity by 2032
	Short term Targets
	• Commission the first phase of the group captive renewable power project to meet 60% of Granules India's power requirement by July 2026.
	• Achieve 30% overall biofuel usage in boiler operations across units.
	• Achieve 90% waste diversion from landfill across all operations.
	• Develop and implement a Water Positivity Roadmap at GGP and BPL units.

Social Targets	**Midterm to Long-term Targets**
	• Occupational health and safety:
	  • Foster a safety-first culture and Target zero workplace fatality
	  • Identify and execute projects to improve workplace safety parameters to the best in class- such as incident rate, Lost Time Injury Frequency Rate (LTIFR) etc.
	• Employee Engagement:
	  • Drive employee engagement for measurable outcomes
	• Human Capital development:
	  • Identify mandatory training and ensure 100% compliance
	  • Target to be in the top quartile in the pharmaceutical industry on L&D parameters
	• Community impact, relations and development:
	  • Drive health, skilling, environmental sustainability, and Volunteering as part of CSR activity
	  • Touch 1 million lives through CSR programs by FY2030
	• Access, Diversity and Inclusion:
	  • Achieve gender pay parity by FY2030
	  • Achieve a 100% increase in women's employment by 2030 compared to FY 24
	  • All plants to be made accessible for physically challenged people
	  • Ensure equal opportunity in selection and promotion
	Short term Targets
	• Occupational health and safety:
	  • Target zero workplace fatality by identifying set of safety related lead indicators and improving over previous year
	  • 10% Y-o-Y reduction in the Lost Time Injury Frequency Rate (LTIFR)
	• Employee well-being:
	  • Expand employee health and wellness program. Initiate mental health program including access to psychological counselling.
	• Human Capital development:
	  • Identify mandatory training and ensure 100% compliance
	  • Target 24 hours (3 days) of training and development per employee per year

	• Community impact, relations and development:
	  • Drive health, skilling, environmental sustainability, and Volunteering as part of CSR activity
	  • Conduct CSR impact assessment and improve the number of lives impacted by 50%
	• Access, Diversity and Inclusion:
	  • All plants to be made accessible for physically challenged people
	  • Ensure equal opportunity in selection and promotion
	  • Develop a process for increasing the pool of women in the CV sourcing and screening stage of recruitment

Governance Targets	**Midterm to Long-term Targets**
	• Business ethics and integrity:
	  • Conduct awareness programs and mandatory code of conduct training
	  • Ethical business conduct and Zero tolerance to violations through robust culture building and training
	• Sustainability governance:
	  • Adopt sustainability governance across the organization and integrate with the ERM framework
	  • Transparency through disclosures on various ESG reporting platforms
	• Data privacy and cyber security:
	  • Conduct an annual third-party vulnerability threat assessment, IT & OT security Gap & Convergence Assessment
	  • Ensure Zero data privacy and cyber security breaches
	  • Target ISO 27001 certification by year FY2027
	  • Conduct annual cyber safety awareness & refresher program for the targeted audience within the organization and ensure 100% coverage
	Short term Targets
	• Business ethics and integrity:
	  • Conduct awareness programs and mandatory code of conduct training
	  • Ethical business conduct and Zero tolerance to violations through robust culture building and training.
	• Sustainability governance:
	  • Adopt sustainability governance across the organization and integrate with ERM framework
	• Data privacy and cyber security:
	  • Conduct annual vulnerability threat assessment, and IT & OT security Gap & Convergence Assessment
	  • Conduct cyber safety awareness program for targeted audience within the organization and ensure 100% coverage

6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not Met

Energy	• Granules continues to demonstrate a growing commitment to sustainable energy practices. In FY25, renewable energy consumption increased by nearly 48%, rising from 143.59 TJ in FY24 to 213.24 TJ. This shift resulted in 24.2% of the total energy (Coal + Electricity) being sourced from renewables (Biofuel, Renewable power), a significant step forward in our decarbonization journey. • Despite a slight increase in overall energy consumption (from 875.9 TJ to 881.18 TJ), the increase in renewable share reflects our active transition toward cleaner energy sources, including biofuels and renewable electricity. • Notably, energy intensity (TJ per MT of production) rose due to a decrease in overall production volume. However, the increased integration of renewables helped reduce dependence on fossil fuels, with energy from non-renewable sources declining from 732.35 TJ in FY24 to 667.94 TJ in FY25 — a net reduction of approximately 64.4 TJ.
Emissions	• Since our base year (FY23), we have achieved a 32.2% reduction in total Scope 1 and Scope 2 (market-based) emissions; bringing it down from 112,571 tCO_2e in FY23 to 76,267 tCO_2e in FY25. This includes a 13.2% drop compared to the previous year alone. • This remarkable progress is driven by our increasing use of renewable energy and energy-efficient operations. One of the key steps we took was installing a 1 MW on-site solar power system at our Gagillapur unit, which is now contributing to our clean energy supply. • While our direct emissions (Scope 1) remained almost constant, we made significant progress in reducing our electricity-related emissions (Scope 2). Market-based Scope 2 emissions dropped sharply from 56,306 tCO_2e in FY23 to 18,853 tCO_2e in FY25, showing our shift towards greener electricity sources.

Water	• Specific water consumption improved from 4.98 KL/MT in FY23 (base year) to 4.33 KL/MT in the current year, reflecting enhanced operational efficiency. • Total water consumption reduced from 283,330 KL in FY23 to 216,823 KL, indicating substantial water conservation efforts. • 44.2% of the wastewater generated is recycled, reinforcing our commitment to sustainable water management and circular practices.
Waste	• Around 80% of the hazardous waste is disposed of by cement industries for co-processing, thereby promoting circular economy as well as reducing the GHG footprint. • 100% of our Non-Hazardous waste generated at our operations are recycled through authorized vendors • Overall waste generation reduced significantly from 7,236 MT in FY24 to 6,086 MT in FY25

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

At Granules India, sustainability is an integral part of our business strategy, guided by our purpose of "Healing lives responsibly through pioneering green science." In the past year, we have made meaningful progress on our Environmental, Social, and Governance (ESG) journey, while also navigating evolving global expectations, regulatory shifts, and operational complexities.

One of our significant milestones was the approval of our Net Zero target by 2050 by the Science Based Targets initiative (SBTi), aligned with the 1.5°C pathway. This marks a major step forward in our climate action roadmap and reinforces our commitment to decarbonization. We continue to work on strengthening our Scope 3 emissions inventory and driving energy efficiency across our operations.

We are proud to have improved our CDP Climate rating from C to B, received the Golden Peacock Award for Sustainability, and earned the EcoVadis Gold rating, placing us in the top 5% of companies globally assessed by EcoVadis. These recognitions reflect the impact of our collective efforts and commitment to ESG excellence.

On the social front, we have committed to doubling the employment of women by 2030 compared to FY24. We are also strengthening our policies on human rights, diversity, equity, and inclusion, and deepening engagement across our value chain. Our supplier sustainability program, aligned with PSCI principles, reflects our intent to extend our ESG standards beyond our direct operations.

We also advanced our ESG data management systems to improve transparency and accountability, while aligning with global frameworks such as GRI, TCFD, and the UN SDGs. The development of a centralized ESG data portal and digital dashboards is helping ensure accuracy, consistency, and better oversight across locations.

As we look ahead, we remain focused on embedding sustainability deeper into our core operations, fostering innovation, and building resilience. While challenges remain particularly in Scope 3 measurement, waste circularity, and regulatory compliance. we view these as opportunities to lead with responsibility and purpose.

We are confident that with our clear vision, strategic actions, and collective resolve, Granules will continue to deliver long-term value for all stakeholders.

DR. KRISHNA PRASAD CHIGURUPATI

Chairman & Managing Director

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility & Sustainability (BRSR) Policy

Dr. Krishna Prasad Chigurupati

Designation: Chairman and Managing Director

Telephone number: 040-69043500

e-mail id: mail@granulesindia.com

9. Does the entity have a specified committee of the board/director responsible for decision-making on sustainability-related issues? (Yes/ No). If yes, provide details

- Yes, we have Sustainability & Corporate Social Responsibility committee at the board level, we have established a sustainability governance mechanism - a robust three-tiered governance structure to achieve our sustainability vision.
- The Board of Directors leads our sustainability governance framework, entrusted with setting strategy, overseeing implementation, and monitoring performance. Simultaneously, management is responsible for executing the sustainability strategy, managing related risks and opportunities, and ensuring the accuracy of disclosures.
- The Sustainability & Corporate Social Responsibility Committee of the board convenes semi-annually at the highest level to provide strategic direction and oversight. The executive management team meets quarterly to evaluate progress, address significant issues, and align strategies across the company. At the operational level, plant teams hold monthly meetings to manage daily operations and ensure that the strategic objectives set by the higher tiers are effectively implemented.

10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC) by the company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency: Annually (A)/ Half yearly (H)/ Quarterly (Q)/ Any other – please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies & follow up action	The policies of our Company are reviewed periodically or on a need basis by the Board and Committees of the Board. During this assessment year, the efficacy of the policies was reviewed, and necessary changes to policies and procedures were implemented.									A	A	H	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliance	Granules is compliant with all applicable regulations.																	

*Note: P3: The frequency of review is half yearly (H) for customers and employees.

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	At Granules policies are periodically evaluated and updated by various department heads/business heads and approved by the management/the Board Committees/ the Board. Some of the policies of the company were evaluated by PWC, Deloitte, Bureau Veritas (India) Pvt. Ltd, AFNOR for their effectiveness in our system. The independent assessment by Bureau Veritas (India) Pvt. Ltd has been done as part of the assurance of BRSR.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles 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:

PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1- BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

At Granules, we are committed to conducting business with integrity and ensuring our practices uphold high ethical standards by adhering to laws and considering social and environmental impacts.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

At Granules India, a key part of our business strategy is prioritizing creating an environment where every employee feels supported and empowered. To achieve this, we have established the "Granules Learning Academy." This program provides essential training for our frontline employees, focusing on unit operations, manufacturing processes, and quality control. We also offer specialized training for managers in pharmaceutical manufacturing, ensuring they understand and follow industry guidelines and standards. These efforts are aimed at improving skills, promoting professional development, and aligning everyone with our company's vision and goals.

Investing in our employees through comprehensive training enhances individual performance and strengthens our overall organizational capacity and capability to innovate and thrive in a competitive market. We are committed to nurturing talent and fostering a culture of continuous learning and growth at Granules India.

Segment	Total number of training and awareness programs held	Topics/ principles covered under the training audits impact	% of persons in respective category covered by the awareness programs
Board of Directors	6	Periodic familiarisation and awareness programmes are conducted for the Board of Directors and Key Managerial Personnel (KMPs) as part of the Board process. These sessions cover key aspects of the business, strategy, risks, operations, regulatory developments, the Code of Business Conduct and Ethics, as well as environmental, social, and governance (ESG) matters.	100%
Key Managerial Personnel (KMP)	6	Generative Leadership, Inter Personal Assessment, Goal Setting, Master class on Fusion Strategy by CII, Coaching & Mentoring, Team Building- Sales & Marketing	100%
Employees other than BoD and KMPs	11	First Time Leader (FTL), Team Building-S&M, Accountability, Microsoft Excel, Critical Thinking, Teamwork, Decision Making, Artificial Intelligence, Emotional Intelligence, Organizational culture, Leadership	58%
Employees other than BoD and KMPs	5	POSH, Insider Trading, Whistle Blower Policy, Cyber Security, COBC	100%
Workers	5	Health and Safety, Standing Orders, POSH, Human Rights, Major labour laws & acts, COBC	100%

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 Obligations) 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	Nil	Nil	-	-
Settlement	Nil	Nil	Nil	-	-
Compounding fee	Nil	Nil	Nil	-	-

	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	Nil	-	-
Punishment	Nil	Nil	-	-

During the financial year, no penalty/fine, settlement, compounding fee, imprisonment, or any kind of punishment has been imposed on the company or the Company's Directors and KMPs.

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
Not Applicable as there were no monetary or non-monetary penalties	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We adhere to uncompromising integrity in the conduct of business and do not tolerate corrupt and immoral practices. The Code of Conduct addresses these aspects of anti-corruption/anti-bribery and covers all the stakeholders including groups/ Suppliers/ Contractors/ NGOs/Others. We have procedures in place to ensure that the business is carried out fairly and responsibly. An Employee cannot solicit, encourage, or receive any bribe or other payment, contribution, gift, or favour that could influence our or another's decision.

https://granulesindia.com/wp-content/uploads/2022/03/COBC.pdf

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2024-25	FY2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

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 conflicts of interest.

Since there are no such instances or penalties noted, the requirement for corrective actions does not arise

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY2024-25	FY2023-24
Number of days of accounts payables	160 days	134 days

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY2024-25	FY2023-24
Concentration of Purchases	Purchases from trading houses as % of total purchases	0	0
	Number of trading houses where purchases are made from	0	0
	Purchases from top 10 trading houses as % of total purchases from trading house	0	0
Concentration of Sales	Sales to dealers/distributors as % of total sales	0.79%	0.6%
	Number of dealers /distributors to whom sales are made	2	1
	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	NA	NA
Share of RPTs in	Purchases (Purchases with related parties / Total Purchases)	4.93%	2.51%
	Sales (Sales to related parties / Total Sales)	46.54%	40.63%
	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	Investments (Investments in related parties / Total Investments made)	99.9%	100%

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programs held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programs
Awareness sessions conducted separately for all key suppliers in the reporting year	• Supplier Code of Business Conduct • ESG Practices	90% of Value chain partners

We assess 100% of our suppliers for Key Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs), Excipients, Raw Materials, Intermediates, and Packing Materials at regular intervals or as needed, following our Vendor Management Procedure. This assessment covers various CSR aspects such as CSR policies and committees, wages and payrolls, statutory benefits like PF, ESI, and Gratuity, health and safety measures, emergency preparedness and response plans, chemical storage practices, waste management, and wastewater management.

In addition to formal and informal interactions to exchange information and expectations on ESG (Environmental, Social, Governance) and sustainability aspects, in the financial year, we extended our efforts through our Scope-3 GHG Assessment. We reached out to all key suppliers to collaborate on providing accurate data related to their manufacturing processes, energy and fuel consumption, Scope 1, Scope 2, and Scope 3 emissions, and product carbon footprint for materials supplied to Granules India.

Granules has implemented a robust Supplier Sustainability Program, engaging over 80% of its suppliers (by purchase spent) to align with shared sustainability goals. As part of this initiative, 92% of these suppliers have acknowledged the program and designated a Single Point of Contact (SPOC) to ensure effective coordination. To assess the current state of ESG practices, Granules rolled out a detailed survey evaluating supplier maturity across key areas such as policies, governance frameworks, sustainability targets, ongoing initiatives, certifications, and regulatory compliance. So far, 73% of the suppliers have completed the survey, reinforcing our commitment to building a responsible and transparent supply chain.

The program further encourages suppliers to commit to environmental and climate-related disclosures, including reporting their greenhouse gas emissions and providing product-level carbon footprint data. It promotes the development of science-based targets validated by the Science Based Targets initiative (SBTi) and supports the transition to renewable electricity. Through these collaborative efforts, Granules aims to deepen climate accountability and foster sustainable practices throughout the value chain, amplifying our collective impact toward a low-carbon future.

2. Does the entity have processes in place to avoid / manage conflicts of interest involving members of the Board? (Yes / No) If Yes, provide details of the same.

Yes, Granules places a strong emphasis on ethical and lawful business conduct, which is a core value shared by our Board of Directors and Management. Our business conduct standards prioritize upholding ethical and legal norms while pursuing our financial objectives and business goals, ensuring unwavering honesty and integrity in all circumstances. Aligned with these principles, Granules' Board has implemented a Code of Conduct for Board & Senior Management.

This Code provides clear guidance to Directors and senior management personnel on maintaining high ethical and legal standards. It mandates professional conduct, courtesy, and respectfulness while also emphasizing the importance of identifying, mitigating, and preventing conflicts of interest.

Through these measures, Granules India ensures that its governance practices are robust, transparent, and committed to safeguarding the interests of all stakeholders, thereby reinforcing our commitment to ethical excellence and corporate integrity.

PRINCIPLE 2- BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

At Granules, we emphasize the significant role of integrating safety and resource efficiency into our research and manufacturing processes. This highlights the essential need for businesses to utilize their resources in a way that adds value while reducing negative impacts on the environment and society at every stage, from design to disposal.

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.

	FY2024-25	FY 2023-24	Details of improvements in environmental and social impact
R&D	100%	100%	At Granules, we are investing in a green molecule platform to reimagine pharmaceutical manufacturing and complete supply chain decarbonization, including solving the scope 3 challenge for the pharma industry, NIPER
CAPEX	8.80%	8.90%	Efforts have been focused on reducing non-renewable energy use and freshwater consumption through energy efficiency, water conservation projects, and technology upgrades in wastewater treatment.

2. A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Granules is committed to maintaining responsible procurement practices across its supply chain by implementing stringent protocols for vendor identification and approval. We ensure rigorous standards are met through periodic site audits, regulatory approval checks, and regular sample analyses to uphold the highest product quality. As part of our procurement process, suppliers and vendors undergo thorough evaluations based on material risk assessments, compliance with environmental regulations, labor laws, carbon footprint considerations, and health and safety parameters. Granules has established a Supplier Code of Conduct that articulates our vision and expectations from Manufacturers, Suppliers, Service Providers, Traders, Consultants, and Contractors (collectively referred to as "Suppliers"). Key elements of our Supplier Code of Conduct include:

- Ethical conduct and integrity in all business dealings.
- Compliance with human rights standards, ensuring the dignity and protection of employees.
- Adherence to all relevant environmental regulations and maintenance of necessary permits and licenses.
- Provision of a safe and conducive work environment with a Health and Safety Policy/Guideline that aligns with local and national regulations.
- Implementation of a management system to ensure compliance with laws and regulations, manage operational risks, and drive continuous improvement.

B. If yes, what percentage of inputs were sourced sustainably?

100% of Key Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs) are sourced sustainably.

All our Key Starting Materials (API, KSMs) vendors are Good Manufacturing Practices (GMP) compliant and adopt sustainable practices. As part of routine audits, we also rate them for sustainable practices, in addition to quality.

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

Sl. No.	Product	Product Process to safely reclaim the product
1.	Plastics (including packaging)	Plastics (including packaging) are recycled and disposed of according to Central Government rules and the provisions of the Plastic Waste Management Rules.
2.	E-Waste	E-waste is disposed of through a registered recycler.
3.	Hazardous Waste	Hazardous waste is disposed of at a Treatment, storage, and disposal facility (TSDF) or authorized cement industries for further treatment and disposal or co-processing.
4.	Other Waste	Bio-medical waste is disposed off through authorized common bio-medical waste facilities.

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.

Yes, we have received our EPR registration certificate on December 26, 2023 from Central Pollution Control Board (CPCB). Our Waste Management plan is in line with EPR requirements.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
We have estimated the Product Carbon Footprint (PCF) for 5 of our molecules covering 65% of our product sales. In the near future, we will conduct Life cycle assessments covering all the impact categories.					

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2024-25	FY2023-24
Not Applicable		

As a healthcare business, the safe usage and quality of our products are of the utmost priority. As per Good Manufacturing Practice (GMP) and as a responsible pharmaceutical manufacturer, we do not reuse any material/chemical for manufacturing. In certain parts of our operations, we recover spent solvents using a solvent recovery system and subsequently reuse them in our manufacturing process.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

Type of Waste	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed (Metric Tonnes)	Re-Used	Recycled	Safely Disposed (Metric Tonnes)
Plastics including packaging	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste- Paper waste	NA	NA	NA	NA	NA	NA

We do not reclaim our products and packaging material at the end of the life of products.

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
No products or packaging materials were reclaimed in the reporting period	

PRINCIPLE 3- BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

At Granules, we respect and promote the health and well-being of all our employees, including those across our value chain.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Granules places a strong emphasis on the well-being of its employees, implementing a range of comprehensive measures and programs to support their health and vitality. Our employees benefit from extensive coverage under a group medical health insurance policy and ESI. Additionally, all employees are covered under a Group Personal Accident policy, with provisions for Maternity and Paternity benefits.

We have partnered with hospitals like AIG, Apollo, and Star to offer health awareness sessions led by consulting doctors. These collaborations also provide our employees with access to one-on-one consultations at discounted rates. Additionally, we organize various webinars focused on mental health and ergonomics.

To further promote employee well-being, Granules has teamed up with the integrated health platform "Ekincare" to conduct pre-employment health check-ups.

In addition to these foundational benefits, Granules organizes annual comprehensive health camps, which include screenings for eye, dental, and cardiac health. Quarterly health awareness campaigns are conducted to promote preventive care and health education among employees. Furthermore, the company hosts meditation, yoga and stress management sessions conducted by experts, aimed at fostering mental well-being.

To encourage physical fitness, Granules arranges various activity-based programs throughout the year, such as Zumba sessions, Walkathons, and Stepathons. These initiatives not only promote a healthy lifestyle but also cultivate a supportive and nurturing workplace environment.

Category	Total (A)	% Of employees covered by: Health insurance No. (B)	Health insurance % (B/A)	Accident insurance No. (C)	Accident insurance % (C/A)	Maternity benefits No. (D)	Maternity benefits % (D/A)	Paternity benefits No. (E)	Paternity benefits % (E/A)	Daycare facilities No. (F)	Daycare facilities % (F/A)
PERMANENT EMPLOYEES											
Male	3684	3684	100%	3684	100%	0	NA	3684	100%	3518	95.5%
Female	382	382	100%	382	100%	382	100%	0	NA	338	88.5%
Total	**4066**	**4066**	**100%**	**4066**	**100%**	**382**	**9%**	**3684**	**91%**	**3856**	**94.8%**
OTHER THAN PERMANENT EMPLOYEES											
Male	Not Applicable										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	Total (A)	% Of employees covered by: Health insurance No. (B)	Health insurance % (B/A)	Accident insurance No. (C)	Accident insurance % (C/A)	Maternity benefits No. (D)	Maternity benefits % (D/A)	Paternity benefits No. (E)	Paternity benefits % (E/A)	Daycare facilities No. (F)	Daycare facilities % (F/A)
PERMANENT WORKERS											
Male	Not Applicable										
Female											
Total											
OTHER THAN PERMANENT WORKERS											
Male	All workers are covered under Employee State Insurance Act (ESI), Further benefits for workers were given depending on the specific policies of the contractor.										
Female											
Total											

c. Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY2024-25	FY2023-24
Cost incurred on well being measures (insurance premium) as a % of total revenue of the company	0.256%	0.179%

Note: INR 77.78 million was spent towards employee well-being during the reporting period, which includes expenditure on insurance premiums.

2. Details of retirement benefits for the current and previous financial year.

Benefits	FY 2024-25: No. of employees covered (as a % of total employees)	FY 2024-25: No. of workers covered (as a % of total workers)	FY 2024-25: Deducted & deposited with the authority (Yes/No/N.A.)	FY 2023-24: No. of employees covered (as a % of total employees)	FY 2023-24: No. of workers covered (as a % of total workers)	FY 2023-24: Deducted & deposited with the authority (Yes/No/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	19%	99%	Yes	20%	99%	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

We have provided lifts and battery-operated vehicles for movement in the plant premises to support people with any physical challenge. We are further evaluating all the possible ways employees can make the place friendly for differently abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Granules is an equal opportunity employer and make employment decisions based on merit. We want to have the best people available for every job. Granules has an internal equal opportunity Policy and reiterates its commitment to its code of conduct. We prohibit unlawful discrimination based on race, colour, creed, gender, age, nationality, marital status, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by Central, State, or local laws. It also includes a perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful. Granules is committed to compliance with all applicable laws, providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers. Weblink: https://granulesindia.com/wp-content/uploads/2022/03/COBC.pdf

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees: Return to work rate	Permanent employees: Retention rate	Permanent Workers: Return to work rate	Permanent Workers: Retention rate
Male	100%	87%	NA	NA
Female	100%	100%	NA	NA
Total	100%	88%	NA	NA

In FY 24-25, a total of 165 male employees availed paternity leave, of which 22 employees left the organization by the end of the year. And 11 female employees took maternity leave, and all of them were retained. And 100% of both male (165) and female (11) employees who availed parental leave returned to work following their leave period.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, any employee who has a grievance shall initially inform his/her supervisor verbally. In case he/she is not satisfied with the resolution, they shall formally approach the Grievance Redressal Committee by a written application. There is an internal "Grievance redressal Policy" on the intranet which enunciates the detailed redressal mechanism.
Other than Permanent Employees	NA
Permanent Workers	NA
Other than Permanent Workers	Yes, any employee who has a grievance shall initially inform his/her supervisor verbally. In case he/she is not satisfied with the resolution, they shall formally approach the Grievance Redressal Committee by a written application. There is an internal "Grievance redressal Policy" on the intranet which enunciates the detailed redressal mechanism.

7. Membership of employees in association(s) or unions recognized by the listed entity:

Category	FY 2024-25			FY 2023-24		
	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	At Granules the Employees/ workers will not be restricted in joining the unions. Currently, no unions are recognized by Granules.					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On health & safety/ wellness measures		On skill upgradation		Total (D)	On health & safety/ wellness measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	3684	3684	100%	2986	81%	3741	3741	100%	1744	47%
Female	382	382	100%	331	86%	316	316	100%	160	51%
Total	**4066**	**4066**	**100%**	**3317**	**81%**	**4057**	**4057**	**100%**	**1904**	**47%**
WORKERS										
Male	1699	1699	100%	180	10.5 %	2022	2022	100%	118	5.8%
Female	401	401	100%	45	11.2 %	445	445	100%	77	17%
Total	**2100**	**2100**	**100%**	**225**	**10.7 %**	**2467**	**2467**	**100%**	**195**	**7.9%**

9. Details of performance and career development reviews of employees and workers.

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees*						
Male	3684	3093	84%	3741	3162	84.5%
Female	382	281	74%	316	236	74.6%
Total	**4066**	**3374**	**83%**	**4057**	**3398**	**83.7%**
Workers						
Male	Not Applicable**					
Female						
Total						

*The Company considers employees joined till December of every year for the purpose of performance evaluation. Hence, the above data includes employees joined till December 2024.

**There are no specific performance evaluations for workers. Every six months salaries would be revised based on Minimum Wages Act.

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 of such system?

At Granules, we place a strong emphasis on maintaining high standards of Environment, Health, and Safety (EHS) to ensure sustainable operations. Adhering to these standards is crucial as any lapse can lead to regulatory penalties, damage to our reputation, and disruptions to our business continuity, all of which could jeopardize our long-term success.

Our commitment is underscored by our ISO 45001:2018 certified occupational health and safety management system. This system is implemented at our facilities in Gagillapur, Jeedimetla, Bonthapally, and Visakhapatnam, where dedicated Occupational Health Centres (OHC) are established. These centres play a critical role in promoting a safe working environment, supported by teams focused on enhancing occupational health and safety practices across our operations.

To support our employees' well-being, we have full-time doctors available at each manufacturing site who promptly address any medical concerns. Additionally, our employees have access to 24/7 nursing assistance onsite, ensuring immediate support for health-related issues.

By integrating these measures into our daily operations, Granules not only prioritizes the health and safety of its workforce but also ensures compliance with environmental regulations and promotes sustainable business practices. This proactive approach reflects our commitment to responsible corporate citizenship and maintaining the trust of our stakeholders in the pharmaceutical industry.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- At Granules, Safety is our top priority. 100% of our employees and workers were given training in Health and Safety at the workplace.
- We have conducted 52 Risk Assessments & HAZOP studies internally across the units to help us identify potential hazards and assess risks, allowing us to implement effective safety measures.
- Third-party experts assessed fire and electrical safety at all our units. These assessments ensure compliance with safety regulations and help us maintain safe working environments.
- We conducted Industrial Hygiene assessments to evaluate workplace conditions and potential health hazards at our Gagillapur unit, ensuring our employees work in safe and healthy environments.
- Severity estimation of potential consequences for each undesired incident, considering mitigation safeguards and conditional factors.
- Process Hazard Analysis is conducted to identify and analyze potential causes and consequences of fires, explosions, toxic or flammable chemical releases, and major hazardous chemical spills.
- Risk Assessments are performed to identify workplace health and safety hazards and evaluate associated risks. Existing control measures are assessed for effectiveness and suitability.
- Fire safety management procedures are established across all workplaces to ensure preparedness and response capabilities.
- Regular safety inspections and audits are conducted to monitor compliance with system requirements. Any deviations identified are promptly addressed through corrective actions.
- Work permit systems are implemented to define conditions and procedures for the safe execution of work under controlled risk conditions.

c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, Granules has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report work-related hazards and the subsequent steps to mitigate them. A safety observations and interactions program is in place to identify and report all near misses, unsafe acts, and unsafe conditions.

Granules trains all its employees and workers with occupational health and safety modules, which cover aspects of the methodology for identifying work-related hazards, analyzing the risks associated with them, and taking subsequent steps to mitigate them.

During the emergency evacuation drills, employees are trained to handle emergency equipment such as fire hydrants, firefighting systems, leak and spill control procedures, and safety alarms. The training and safety modules equip the employees with the right procedure for reporting work-related hazards and the steps to remove themselves from such situations.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Granules provides non-occupational medical and healthcare services to its employees. Further, the Company ensures the provision of Group medical insurance to all its employees and dependents. Contract Employees are provided with health benefits from Employee state insurance (ESI).

11. Details of safety-related incidents:

Safety Incident/Number	Category	FY2024-25	FY2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0.11	0
	Workers	0.14	0.30
Total recordable work-related injuries*	Employees	6	23
	Workers	20	15
No. of fatalities	Employees	0	0
	Workers	0	2
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Medical Treatment cases and Reportable Incidents

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We are committed to sustainable development and maintaining high health and safety standards at the workplace. We carry out our operations in a manner that does not cause any adverse harm to the people or damage to the environment or the communities in and around our workplaces. We comply with applicable laws and regulations concerning Environment, Health, and safety.

Granules embed the guidelines and principles of ISO 45001:2018, OSHA standards, the Factory Act, and other state- level regulatory requirements within its Environment Health and Safety (EHS) management system.

The internal EHS policy advocates providing a safe working environment for all employees and contractors. At Granules, we undertake periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines. At Granules, we undertake periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines. As part of the auditing procedures, the Company recognizes the critical areas requiring immediate corrective action and analyses mitigation measures. Employees are provided training to make them familiar with applicable Health and Safety guidelines and report any unsafe conditions, acts, or accidents to the authority concerned in the Company.

- At Granules, Safety is our top priority. 100% of our employees and workers were given training in Health and Safety at the workplace.
- We have conducted 52 Risk Assessments and HAZOP studies internally across the units to help us identify potential hazards and assess risks, allowing us to implement effective safety measures.
- Third-party experts conducted assessments on fire and electrical safety at all our units. These assessments ensure compliance with safety regulations and help us maintain safe working environments.
- We conducted Industrial Hygiene assessments to evaluate workplace conditions and potential health hazards at our Gagillapur unit, ensuring our employees work in safe and healthy environments.

13. Number of complaints on working conditions and health and safety made by employees and workers.

Category	FY 2024-25			FY 2023-24		
	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. The employees report their concerns to the safety committees and the issues are resolved on an immediate basis.					
Health & Safety						

14. Assessments for the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% Statutory bodies, external customer audits, certification agencies and regulatory authorities
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 and safety practices and working conditions.

At Granules, we prioritize the safety of our workforce through continuous Hazard and Operability (HAZOP) studies. These studies are integral to identifying potential risks and improving safety practices across our operations. Based on ongoing HAZOP assessments, we are implementing corrective actions to address any identified safety-related incidents promptly. Additionally, we are proactively addressing significant risks and concerns identified through our health and safety assessments and evaluations of working conditions.

- SOIs (Safety observation interactions) are in place to identify unsafe acts and unsafe conditions at the work site. We encourage employees to observe and report any safety- related concerns.
- We analyze Incident investigations for implementation of corrective action as well as to learn and prevent future occurrences.
- All manufacturing locations track incident sharing and safety adherence. We conduct Risk assessments and periodic reviews, and based on investigation, Corrective and Preventive Actions (CAPAs) that are generated are horizontally deployed across groups.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Employees	Yes, the Company provides Group term life Insurance for all employees and dependents and Group Personal Accident Policy and Future Service liability.
Workers	Yes, Contract Workers are provided with health benefits from Employees state insurance (ESI) that covers hospitalization costs in the event of an accident or other unforeseen medical emergencies.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

At Granules, we conduct our due diligence process while onboarding a value chain partner to ensure they comply with the norms and regulations as per the law. We always adhere to regulatory and applicable compliance with numerous laws. We ensure that our value chain partners also follow relevant compliance, which is an essential part of the supplier code.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2024-25	FY2023-24	FY2024-25	FY2023-24
Employees	0	0	0	0
Workers	0	2 Fatalities*	0	0

*1 Fatal Incident at Gagillapur and 1 Fatal incident at Bonthapally Unit -1

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Employees who are due for retirement will be intimated six months before the date of retirement to enable them to complete all formalities relating to the retirement and terminal benefits. On the last working day, a gift worth three months' gross salary will be handed over to the retiring employee. The same severance is applicable in case of termination, too.

5. Details on assessment of value chain partners:

Suppliers shall provide a safe and conducive work environment to their employees and are expected to have the Health and Safety Policy/Guideline for their organizations to define, implement and follow Good Health and Safety Practices in compliance with the applicable local and national regulations. Suppliers shall identify and protect their employees from any physical, chemical, and biological hazards as well as from risks associated with any infrastructures.

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	90% of Value chain partners
Working Conditions	

100% of Key Active Pharmaceutical Ingredients (APIs),Key Starting Materials (KSMs), Excipients, Raw Materials, Intermediates, Packing Materials suppliers (Covering about 90% purchase value) are assessed at regularly defined intervals or as and when required) as part of Vendor management procedure (GIL-CQA-008) covering various CSR aspects like CSR policies and committees, Wages and payrolls, Statutory benefits like PF, ESI and Gratuity, Health and Safety measures, Emergency preparedness and response plans, Chemical Storage measures, Waste Management and Waste water Management.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company works with multiple partners and suppliers to deliver high-quality products and services to its customers. To ensure compliance, it conducts stringent audits and conducts awareness campaigns to its partners regarding corrective actions.

No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4- BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

At Granules, we respect and uphold the interests of all our stakeholders and engage with them frequently.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Granules identifies key stakeholder groups through a systematic process that involves assessing and understanding the individuals, organizations, or entities that significantly impact or are impacted by our operations and decisions. Our approach includes:

- **Stakeholder Mapping:** We conduct stakeholder mapping exercises to identify and prioritize groups based on their influence, interests, and involvement with our business. This helps us understand our key stakeholders and how they are connected to our activities.
- **Engagement and Feedback:** We engage directly with stakeholders through various channels such as surveys, consultations, and feedback mechanisms. This interaction allows us to gather insights into their expectations, concerns, and perspectives.
- **Impact Assessment:** We assess the potential impact of our operations on different stakeholder groups and vice versa. This helps us prioritize stakeholders who may be significantly affected by our decisions or have a critical role in our success.
- **Continuous Review:** Our stakeholder identification process is dynamic and ongoing. We regularly review and update our list of stakeholders to reflect changes in our business environment, stakeholder interests, and emerging issues.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified As Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, 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
Investors/ Shareholders	No	• Investor and analyst meetings • Presentations at industry forums • Circulation of the Annual Report and Sustainability Report • Communicating Financial Results to Shareholders • AGM	Annually/ Half yearly/ Quarterly/ Need-based	Our investors and shareholders provide essential financial resources, which are crucial in supporting Granules' sustainable business growth. Key topics of interest for our investors and shareholders include our economic performance, sustainability reporting, disclosures, and transparent disclosure of our overall performance metrics.
Customers	No	Customer Meets and Feedback	Half-yearly, and need-based	Our customers provide valuable input that helps us understand their requirements. This enables us to strengthen our product portfolio and serve them better. Key topics of interest: • Affordable medicines • Access to healthcare • Emergency medicines
Suppliers and business partners	No	• Supplier Meets Visits • Supplier audit Facility visits • Strategic business partner training and development • Supplier Sustainability Program	Event-based and need-based	We depend on our suppliers and business partners for critical business input. We must understand their challenges and expectations to ensure business continuity and encourage sustainable business practices. Key topics of interest: • Business ethics and transparency • Status of compliance • Training and development of partners and suppliers • The environmental footprint of operations
Employees	No	• Monthly and quarterly in-house publications • Quarterly communication by the Senior Leadership team • HR Communications • Engagement Programs	Regular and need-based	We believe that our employees' collective efforts and passion determine our productivity and profitability. We are committed to meeting their aspirations and ensuring satisfaction and growth. Key topics of interest: • Career planning and skill development • Market-based compensation, benefits, and amenities • Employee welfare programs

Stakeholder Group	Whether identified As Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, 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
Workers	No	• Daily/Monthly and quarterly in-house Publications • HR Communications • Safety Programs	Regular and need-based	We are committed to Health and well-being of our Workers. Key topics of interest • Occupational health and safety • Safety Awareness • Welfare programs
Communities and non-governmental organizations	Yes	Interactions through CSR initiatives	Continuous and need-based	Connecting with local communities gives us a better understanding of their needs. It helps us contribute meaningfully to sustainable community development. Our partnerships with NGOs and other organizations facilitate our efforts towards creating shared value. Key topics of interest • Infrastructure development • Education and healthcare • Environmental protection

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board?

As a global pharmaceutical company with diverse stakeholders spread across geographies, we consistently engage with our stakeholders to explore opportunities for collaboration to enhance our core capabilities and create shared value. Feedback from such engagements is shared with the Board on a periodic basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, The Company has engaged in materiality assessment to gather opinions and insights from its stakeholders to understand their expectations, concerns, and interests. This includes assessing numerous potential environmental, social, and governance issues and risk factors that may impact our operations. The inputs of stakeholders were used to determine topics that are material to the Company. The outcome of that materiality exercise would be translated into an Integrated ESG Strategy. This strategy framework helps the Company in framing specific sustainability focus, pillars, goals and targets. Apart from this recent exercise, we believe in consultations with our stakeholders on sustainability to implement our major initiatives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Granules is committed to engaging with and addressing the concerns of vulnerable and marginalized stakeholder groups as part of our Corporate Social Responsibility (CSR) initiatives. We actively collaborate with local communities, NGOs, and government bodies to understand and respond to their needs effectively. Our actions include various outreach programs focusing on education, healthcare, and skill development to empower marginalized groups.

We also prioritize inclusive practices in our employment and procurement processes, promoting diversity and equitable opportunities. Granules India Limited has initiated impactful CSR efforts on skill development and community health. Through our partnership with Swarna Bharat Trust, we launched Pharma Pathshala, offering students skill development programs and employment opportunities. Participants engage in the "Earn & Learn" program, gaining technical skills through various training initiatives. They receive on-the-job training and opportunities for higher education under the "Self-Managed Team" framework, enhancing their employability in the pharmaceutical sector.

PRINCIPLE 5- BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

At Granules, we uphold the principles of dignity, freedom, and fairness in the workplace, ensuring every employee is respected and valued. We are committed to creating an inclusive environment where all team members can work without discrimination or bias.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	4066	4066	100%	4057	4057	100%
Other than Permanent	NA	NA	NA	NA	NA	NA
Total employees	**4066**	**4066**	**100%**	**4057**	**4057**	**100%**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	2100	2100	100%	2467	2467	100%
Total workers	**2100**	**2100**	**100%**	**2467**	**2467**	**100%**

2. Details of minimum wages paid to employees and workers:

Category	FY 2024-25					FY 2023-24				
	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	4066	0	0%	4066	100%	4057	0	0%	4057	100%
Male	3684	0	0%	3684	100%	3741	0	0%	3741	100%
Female	382	0	0%	382	100%	316	0	0%	316	100%
Non-permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WORKERS										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-permanent	2100	2050	98%	50	2%	2467	2445	99%	22	1%
Male	1699	1660	98%	39	2%	2022	2000	99%	22	1%
Female	401	390	97%	11	3%	445	445	100%	-	-

3. Details of remuneration/salary/wages:

a) Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	9	2.91 Million Per Annum	3	23.68 Million Per Annum
KMP (other than BoD)	1	35.17 Million Per Annum	1	5.47 Million Per Annum
Employees other than BOD & KMP	3674	0.74 Million per Annum	378	0.63 Million per Annum
Workers	NA	NA	NA	NA

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2024-25	FY2023-24
Gross wages paid to females as % of total wages	6.30	6.69

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)

Granules maintains a zero-tolerance policy towards non-compliant behaviour, and we are dedicated to addressing any concerns or issues related to violations of the Code of Conduct. As a standard practice, we encourage stakeholders to discuss or report concerns to their managers. However, if any individual is uncomfortable reporting a potential violation to their supervisor, they are encouraged to raise their concerns with the Head of Department, Unit HR Manager, or Compliance Officer. This approach ensures that all concerns are handled promptly and following our commitment to ethical conduct and accountability.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

Granules has established robust internal mechanisms to effectively address grievances related to human rights issues. Employees and stakeholders are encouraged to report any concerns regarding human rights violations through multiple channels, including direct communication with their managers, the Head of the Department, the Unit HR Manager, or the Compliance Officer.

Upon receiving a grievance, Granules follows structured procedures outlined in our policies, ensuring confidentiality and sensitivity throughout the investigation. We prioritize prompt and impartial handling of grievances to uphold our commitment to ethical conduct and respect for human rights. Our goal is to resolve issues swiftly and appropriately, fostering a workplace environment where human rights are safeguarded and respected.

At Granules, we follow a staged process in addressing human rights issues:

Raising Concern	As a standard practice, we encourage individuals to discuss or report any concerns regarding potential violations with their manager. If someone is uncomfortable reporting to their supervisor, they can raise their concern with the Head of the Department, Unit HR Manager, or Compliance Officer.
Reporting Violation	Employees are encouraged to promptly report any potential or actual violations of laws, company policies, or the Code of Conduct to their Manager/Supervisor, Unit HR, CFO, CHRO, or Compliance Officer.
Investigation	The Code of Business Conduct Committee will promptly and thoroughly investigate every concern and report of violation as per applicable law and procedures.
Disciplinary Action	Based on the nature and particulars of the violation, the investigation committee recommends corrective and preventive action, including disciplinary action.
No Retaliation	We strictly prohibit retaliation against individuals who report alleged violations in good faith. Our Policies ensures that employees can raise concerns without fear of reprisal, fostering a culture of transparency and accountability

Whistleblower Policy:

We have devised an effective whistleblower mechanism enabling employees to freely communicate their concerns about illegal or unethical practices. The Company has also established a vigil mechanism for employees to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The prime objective of this policy is to provide employees and Directors an avenue to raise concerns in line with the commitment of Granules to the highest possible standards of ethical, moral, and legal business conduct and its commitment to open, fearless, genuine concern communication. The pre-eminent intention of this policy is to provide necessary safeguards for the protection of employees from reprisals or victimization for whistleblowing in good faith.

Prevention of Sexual Harassment Policy (POSH):

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and rules made thereunder, our Company has formed an Internal Complaints Committee (ICC) for its workplaces to address complaints about sexual harassment under the POSH Act. We have a detailed policy for preventing sexual harassment at the workplace, which ensures a free and fair inquiry process with clear timelines for resolution.

6. Number of complaints on the following made by employees and workers:

Category	FY 2024-25			FY 2023-24		
	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	Closed	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other Human rights related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2024-25	FY2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/workers	0.26%	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Granules is committed to maintaining a workplace free from harassment, including sexual harassment, with zero tolerance for such behavior. We encourage reporting of any harassment concerns and promptly address complaints through our established procedures outlined in our standing orders. Our policies, including the Code of Conduct and Prevention of Sexual Harassment (POSH) policies, are in place to prevent and resolve such incidents effectively.

Reports of violations must be made in good faith. Regardless of the interpretation of facts, our commitment is to treat all reports fairly. However, filing a false report with malicious intent violates our Code of Conduct. Each individual at Granules plays a vital role in upholding the standards outlined in our Code of Conduct.

To enhance transparency and confidentiality, we have established an "Anonymous Reporting" channel that employees can use to report violations confidentially and/or anonymously. Confidentiality is strictly maintained, and information is shared only on a need-to-know basis to conduct a thorough review.

Granules strictly prohibit any form of retaliation against individuals who make reports in good faith or cooperate in investigating such reports. We are dedicated to creating a supportive environment where all employees feel safe, respected, and empowered to raise concerns without fear of reprisal.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Granules has integrated compliance with human rights standards into its standard terms and conditions for supplier agreements and contracts. This commitment is also articulated in Granules' Supplier Code of Conduct, which mandates that suppliers adhere to applicable laws, labor standards, and environmental regulations and uphold principles of ethics and integrity in their operations. This comprehensive framework ensures that all parties involved in Granules' supply chain are aligned with ethical practices and responsible conduct, thereby promoting a fair and respectful business environment across our operations.

10. Assessments for the year:

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	100% of plants and offices are assessed through SMETA (Sedex Members Ethical Trade) Audits, external customer audits as per Pharmaceutical Supply Chain Initiative (PSCI) principles and Statutory authorities, and certification agencies.
Forced Labor /Involuntary Labor	
Sexual Harassment	
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No critical concerns have arisen from our external human rights assessment. Our ongoing commitment to ethical conduct and adherence to human rights principles ensures that we maintain a proactive stance in preventing issues before they arise. We continue to monitor our practices closely to uphold a respectful and responsible workplace environment consistent with our organizational values and legal obligations.

Leadership Indicators

1. Details of a business process being modified/introduced because of addressing human rights grievances/complaints.

At Granules, there have been no instances of human rights violations recorded, so no specific amendments to our current processes or policies is implemented.

We remain committed to upholding rigorous standards of ethical conduct and compliance with human rights principles across all operations. Should any concerns arise, our established protocols ensure prompt investigation and appropriate action following legal and ethical guidelines, reinforcing our dedication to maintaining a respectful and responsible workplace environment.

2. Details of the scope and coverage of any Human rights due diligence conducted

All our policies are defined and designed to protect the value of human rights. In the reporting period, No such due diligence was either warranted or conducted but are covered as part of PSCI audits.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, as per the requirements of the Rights of Persons with Disabilities, our Company's manufacturing premises and offices have infrastructure for differently abled visitors.

4. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Child Labor	90% Value Chain Partners
Forced Labor / Involuntary Labor	
Sexual Harassment	
Discrimination at workplace	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

At present, no concerns have been raised. In case it arises, we undertake appropriate improvement measures and corrective actions and keep necessary checks and balances in place to address significant risks/concerns.

PRINCIPLE 6- BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

We at Granules underscore the interconnected nature of environmental concerns at local, regional, and global levels. We conduct assessments of the environmental impacts of our products and operations, taking measures to minimize and mitigate effects.

Essential Indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY2024-25	FY2023-24
From renewable sources			
Total electricity consumption (A)		204.49	143.59
Total fuel consumption (B)		8.75	-
Energy consumption through other sources (C)		-	-
Total energy consumed from renewable sources (A+B+C)		**213.24**	**143.59**
From non-renewable sources			
Total electricity consumption (D)	TJ	93.36	159.04
Total fuel consumption (E)	TJ	574.48	573.31
Energy consumption through other sources (F)	TJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	TJ	**667.84**	**732.35**
Total energy consumed (A+B+C+D+E+F)	TJ	**881.18**	**875.95**
Energy intensity per rupee of turnover	TJ/Million Rupees	0.0291	0.0233
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TJ/ Million Rupees adjusted for Purchasing Power Parity (PPP)	0.00770	0.00651
Energy intensity in terms of physical output	TJ/Tons of Production	0.0176	0.0144

- All Conversion factors of fuel density and Default energy conversion factors considered from Defra GHG Conversion Factors 2024.
- All GHG Emission Factors for Fuels considered from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- All GWP (Global Warming Potentials) Factors for gases considered from IPCC -AR6 WGI Report.
- Emission factors for grid Energy considered from Central Electricity Authority i.e. FY 2023 (0.81 tCO2/MWh), FY 2024 (0.716 tCO2/MWh) and FY 2025 (0.727 tCO2/MWh).
- Applied the same Methodologies and factors (IPCC, DEFRA, CEA) for FY 2024 for GHG and Energy calculations same as FY 2025.
- Renewable electricity consumption for FY 2023–24 has been restated due to a calculation error identified in the previous year's data.
- Calculated PPP (3.7754) based on 2024 data using a conversion factor of 22.4 INR per international dollar as of April 2024, reflecting the purchasing power of 1 USD in the U.S. (Source: CII-ASSOCHAM-FICCI, BRSR Core). The average INR to USD exchange rate for FY 2024–25, as per RBI, is 84.5697.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency.

Yes, the independent assurance is carried out by the Bureau Veritas (India) Pvt. Ltd.

2. Does the entity 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.

None of our sites/facilities are identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India, Therefore, we do not undertake any activity related to PAT Scheme.

3. Provide details of the following disclosures related to water:

Parameter	Unit	FY2024-25	FY2023-24
Water withdrawal by source			
i. Surface water	KL	0	0
ii. Ground Water	KL	0	0
iii. Third Party Water	KL	3,56,980	3,68,002
iv. Seawater/ Desalinated Water	KL	0	0
v. Others: (Rainwater Harvesting)	KL	2169	0
Total volume of water withdrawal (in kilolitres)	KL	**3,59,149**	**3,68,002**
Total volume of water consumption (in kilolitres)	KL	**2,16,823**	**2,26,082**
Water Consumption intensity per rupee of turnover	KL/Million Rupee	7.16	6.02
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	KL/Million Rupees adjusted for Purchasing Power Parity (PPP)	1.90	1.68
Water intensity in terms of physical output	Kl/Tons of Production	4.33	3.73

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.

Yes, the independent assurance is carried out by the Bureau Veritas (India) Pvt. Ltd.

4. Provide the following details related to water discharged:

Parameter	FY2024-25	FY2023-24
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	78,968 KL	79,216 KL
v. Others		
- No treatment		-
- With treatment – please specify level of treatment		-
Total volume of water withdrawal (in kilolitres)	**78,968 KL**	**79,216 KL**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We maintain Zero Liquid Discharge Systems and Effluent Treatment Plants with RO Recovery Systems to ensure that the effluents generated are treated to minimize the environmental impact and reuse resources wherever possible. The treated water is suitably recycled back into the utility makeup.

We treat our wastewater in ETP/ZLD plants wherever possible, and the treated water is used in utility makeup. About 44.2% of our wastewater is recycled and reused in the operations through our ZLD systems.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY2024-25	FY2023-24
NOx	MT	59.55	65.3
SOx	MT	175.0	198.56
Particulate matter (PM)	MT	72.34	82.08
Persistent organic pollutants (POP)		Not Available* see Note 2 below	
Volatile organic compounds (VOC)		Not Available* see Note 3 below	
Hazardous air pollutants (HAP)		Not Available* see Note 2 below	

Note 1 - Currently calculated for stacks of Diesel Generators (DGs) and boilers

Note 2 - Currently not being monitored would consider monitoring going forward

Note 3 - Data is being monitored through online system but retrieval of data is not feasible as it's in the servers of Pollution Control Board (PCB)

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.

Yes, the independent assurance is carried out by the Bureau Veritas (India) Pvt. Ltd.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY2024-25	FY2023-24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	57,414	56,254
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	18,853	31,632
Total Scope 1 + 2 Emissions	tCO_2e	**76,267**	**87,886**
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e / Million Rupees	2.52	2.34
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO_2e /Million Rupees adjusted for Purchasing Power Parity (PPP)	0.667	0.653
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e / Ton of Production	1.52	1.45

Note:

- All Conversion factors of fuel density and Default energy conversion factors considered from Defra GHG Conversion Factors 2024.
- All GHG Emission Factors for Fuels considered from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- All GWP (Global Warming Potentials) Factors for gases considered from IPCC-AR6 WGI Report.
- Emission factors for grid Energy considered by Central Electricity Authority, i.e., FY 22-23 (0.81 tCO2/MWh), FY 23-24 (0.716 tCO2e/MWh), FY 24-25 (0.727 tCO2e/MWh).
- Calculated PPP (3.7754) based on 2024 data using a conversion factor of 22.4 INR per international dollar as of April 2024, reflecting the purchasing power of 1 USD in the U.S. (Source: CII-ASSOCHAM-FICCI, BRSR Core). The average INR to USD exchange rate for FY 2024–25, as per RBI, is 84.5697.

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:

Yes, the independent assurance is carried out by the Bureau Veritas (India) Pvt. Ltd.

8. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.

In FY 24-25, Granules India Limited has undertaken a range of targeted initiatives across its manufacturing locations to enhance energy efficiency and reduce greenhouse gas (GHG) emissions. These efforts led to a total energy savings of approximately 998,494 kWh and a GHG reduction of 1,250.06 tons of CO2, along with financial savings of approximately ₹80 lakhs across all units.

At the Gagillapur facility, the installation of a 667 kWp rooftop solar plant contributed significantly to emissions reduction, offsetting 524.89 tons of CO2, while additional measures such as the installation of online tube cleaning systems for chillers and the replacement of electric heaters with hot water coils led to combined savings of over 345,000 kWh and nearly 251 tons of CO2.

At GIL-1 Bonthapally, the adoption of Variable Frequency Drives (VFDs) to optimize pump operations resulted in a remarkable 457,920 kWh of energy savings and 332.91 tons of CO2 reduction. Meanwhile, the GIL-2 Jeedimetla unit implemented remote monitoring and control systems such as Auto Power Factor Control (APFC) panels and air dryer optimization, yielding 189,400 kWh in savings and over 137 tons of CO2 reduction. Additionally, energy audit-based process improvements—like jacket and RT line enhancements—contributed a further 5,832 kWh and 4.24 tons of CO2 savings.

Beyond energy efficiency, Granules has significantly ramped up its use of renewable electricity. At the Gagillapur unit alone, 6,081 MWh of renewable electricity was procured through Power Purchase Agreements (PPAs), resulting in the avoidance of 4,420 tCO2e emissions. Additionally, Granules procured 50,000 MWh of Renewable Energy Certificates (RECs) for its Gagillapur, Bonthapally, and Jeedimetla units, offsetting 36,350 tCO_2e of GHG emissions. As a result, the renewable electricity share reached 93.7% at Gagillapur, 92.3% at Bonthapally, and 90.8% at Jeedimetla. On an organizational level, 68.7% of total electricity consumed is from renewable sources, while the overall share of energy from renewable sources, including biofuels used in boiler operations, stands at 24.2%.

The overall avoided GHG emissions – 42,020 tons CO_2e.

These initiatives underscore Granules' commitment to sustainability through operational excellence, renewable energy adoption, and continuous improvement in energy use, all aligned with its long-term Net Zero ambitions and science-based targets.

9. Provide details related to waste management by the entity:

Parameter	FY2024-25	FY2023-24
Total waste generated (in metric tonnes)		
Plastic waste (A)	873.4	1106.6
E-Waste (B)	3.75	1.3
Bio-Medical Waste (C)	5.71	3.02
Construction and demolition waste (D)	0	0
Battery Waste (E)*	4.37	0.2
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3194.38	3953.5
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) Metal Scrap (MS, Aluminium etc) Paper and Paper Board Glass Waste Wood Waste	2004.3	2172.9
Total (A+B+C+D+E+F+G+H)	**6086.0**	**7236**
Waste intensity per rupee of turnover	0.201	0.193
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP)	0.053	0.054
Waste intensity in terms of physical output (MT/MT)	0.122	0.119
*Old batteries are disposed to the vendor on "buy back system"		
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	2886.1	3280.8
ii. Re-used	2540.5	3482
iii. Other recovery operations (safely disposed)	659.3	472.9
Total	**6086.0**	**7235.7**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i. Incineration	69.3	75
ii. Landfilling	584.2	398
iii. Other disposal operations (Co-processing)	2540.5	3482
Total	**3194.1**	**3955**

- Calculated PPP (3.7754) based on 2024 data using a conversion factor of 22.4 INR per international dollar as of April 2024, reflecting the purchasing power of 1 USD in the U.S. (Source: CII-ASSOCHAM-FICCI, BRSR Core). The average INR to USD exchange rate for FY 2024–25, as per RBI, is 84.5697.
- This is an exclusion: food/canteen waste and coal ash are not disclosed in this section, as food waste is sent for use as cattle feed and coal ash is supplied to brick manufacturers for reuse.

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.

Yes, the independent assurance is carried out by the Bureau Veritas (India) Pvt. Ltd.

10. Briefly describe the waste management practices adopted in your establishments. 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.

Granules operate in a sector producing significant amounts of hazardous and non-hazardous waste. Our manufacturing facilities generate substantial amounts of solvents and other hazardous waste, which we aim to reduce through process optimization and co-processing initiatives. Under our clean manufacturing practices, all solid wastes from our plants are either co-incinerated in cement industries or handled by authorized vendors.

Our Waste Management systems and processes are guided by ISO 14001. We segregate hazardous and non-hazardous waste at the source and store them in dedicated areas within our facilities. After thorough sorting, hazardous waste is stored by category in designated hazardous waste storage areas and disposed of at Pollution Control Board-approved facilities in compliance with relevant regulations.

We registered with CPCB under the Extended Producer Responsibility (EPR) under the Importers category in the current reporting period, and our waste management plan is aligned with the EPR guidelines.

100% of the non-hazardous waste generated at our manufacturing sites is sent to authorized recyclers for recycling. Approximately 80% of our hazardous waste undergoes energy recovery through co-processing, and the rest is disposed of through Authorized vendors. These measures ensure we manage waste responsibly, mitigate environmental impact, and adhere to regulatory requirements effectively.

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:

We do not have any factories in ecologically sensitive areas

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 Number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web Links
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
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

i. Name of the area:

Hyderabad (Gagillapur, Bonthapally, Jeedimetla, Pragathi Nagar, Shameerpet), Visakhapatnam (Parawada) and Pune

ii. Nature of operations:

Manufacturing and R&D

iii. Water withdrawal, consumption and discharge in the following format

Parameter	Unit	FY2024-25	FY2023-24
Water withdrawal by source			
i. Surface water	KL	0	0
ii. Ground Water	KL	0	0
iii. Third Party Water	KL	3,56,980	3,68,002
iv. Seawater/ Desalinated Water	KL	0	0
v. Others: (Rainwater Harvesting)	KL	2169	0
Total volume of water withdrawal (in kilolitres)	KL	**3,59,149**	**3,68,002**
Total volume of water consumption (in kilolitres)	KL	**2,16,823**	**2,26,082**
Water Consumption intensity per rupee of turnover	KL/Million Rupee	7.16	6.02
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	KL/Million Rupees adjusted for Purchasing Power Parity (PPP)	1.90	1.68
Water intensity in terms of physical output	Kl/Tons of Production	4.33	3.73

Parameter	FY2024-25	FY2023-24
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	78,968 KL	79,216 KL
v. Others		
- No treatment		-
- With treatment – please specify level of treatment		-
Total water discharged (in kilolitres)	**78,968 KL**	**79,216 KL**

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY2024-25	FY2023-24
Category 1 - Purchased Goods & Services	tCO_2e	3,60,046	5,14,516
Category 2 - Capital Goods	tCO_2e	17,521	10,265
Category 3 - Fuel and Energy Related Activities	tCO_2e	24,196	22,579
Category 4 - Upstream Transportation & Distribution	tCO_2e	8,488	8,557
Category 5 - Waste Generated from Operations	tCO_2e	2,074	3,571
Category 6 - Business Travel	tCO_2e	377	850
Category 7 - Employee Commuting	tCO_2e	1,064	1,571
Category 8 - Upstream Leased Assets	tCO_2e	341	1,628
Category 9 - Downstream Transportation & Distribution	tCO_2e	20,648	24,827
Category 10 - Processing of Sold Products	tCO_2e	29,905	41,187
Category 11 - Use of Sold Products	tCO_2e	0	0
Category 12 - End of Life Treatment of sold products	tCO_2e	3,402	4,287
Category 13 - Downstream Leased Assets	tCO_2e	0	0
Category 14 - Franchises	tCO_2e	0	0
Category 15 - Investments	tCO_2e	0	0
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	tCO_2e	**4,68,062**	**6,33,837**
Total Scope 3 emissions per rupee of turnover	tCO_2e /INR	15.45	16.88
Scope 3 emission Intensity in terms of physical output	tCO_2e / Tons of Production	9.35	10.45

Note: Category 11, 13, 14, 15 are Not Applicable, as this categories is not relevant to Granules business

Granules Scope 3 quantification methodology is aligned with the GHG accounting standard and ISO 14064, which provides guidance on the quantification and reporting of greenhouse gas emissions. Due to variations in data availability and the nature of each category, we have employed different methodologies for different categories as per below table:

Scope 3 Category No	Scope 3 Category Description	Methodology
1.	Purchased Goods and Services	Supplier-specific method (~85%), Hybrid method (~15%)
2.	Capital Goods	Hybrid method/ Average-product method
3.	Fuel- and Energy-Related Activities	Average-data method
4.	Upstream Transportation and Distribution	Distance-based method
5.	Waste Generated in Operations	Waste-type-specific method
6.	Business Travel	Distance-based method
7.	Employee Commuting	Fuel-based method
8.	Upstream Leased Assets	Lessor-specific method
9.	Downstream Transportation and Distribution	Distance-based method
10.	Processing of Sold Products	Average-data method
11.	Use of Sold Products	Not Applicable, as this category is not relevant
12.	End-of-Life Treatment of Sold Products	Average-data method
13.	Downstream Leased Assets	Not Applicable, as this category is not relevant
14.	Franchises	Not Applicable, as this category is not relevant
15.	Investments	Not Applicable, as this category is not relevant

We prioritize the supplier-specific method across more than 80% of our value chain, enabling us to access precise emissions data directly from our partners. This approach captures the distinct practices and efficiencies of each supplier, fostering transparency and accountability.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Our company does not operate in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

In FY 24-25, Granules India Limited has undertaken a range of targeted initiatives across its manufacturing locations to enhance energy efficiency and reduce greenhouse gas (GHG) emissions. These efforts led to a total energy savings of approximately 998,494 kWh and a GHG reduction of 1,250.06 tons of CO2, along with financial savings of approximately ₹80 lakhs across all units.

At the Gagillapur facility, the installation of a 667 kWp rooftop solar plant contributed significantly to emissions reduction, offsetting 524.89 tons of CO2, while additional measures such as the installation of online tube cleaning systems for chillers and the replacement of electric heaters with hot water coils led to combined savings of over 345,000 kWh and nearly 251 tons of CO2.

At GIL-1 Bonthapally, the adoption of Variable Frequency Drives (VFDs) to optimize pump operations resulted in a remarkable 457,920 kWh of energy savings and 332.91 tons of CO_2 reduction. Meanwhile, the GIL-2 Jeedimetla unit implemented remote monitoring and control systems such as Auto Power Factor Control (APFC) panels and air dryer optimization, yielding 189,400 kWh in savings and over 137 tons of CO2 reduction. Additionally, energy audit-based process improvements like jacket and RT line enhancements contributed a further 5,832 kWh and 4.24 tons of CO2 savings.

Beyond energy efficiency, Granules has significantly ramped up its use of renewable electricity. At the Gagillapur unit alone, 6,081 MWh of renewable electricity was procured through Power Purchase Agreements (PPAs), resulting in the avoidance of 4,420 tCO2e emissions. Additionally, Granules procured 50,000 MWh of Renewable Energy Certificates (RECs) for its Gagillapur, Bonthapally, and Jeedimetla units, offsetting 36,350 tCO2e of GHG emissions. As a result, the renewable electricity share reached 93.7% at Gagillapur, 92.3% at Bonthapally, and 90.8% at Jeedimetla. On an organizational level, 68.7% of total electricity consumed is from renewable sources, while the overall share of energy from renewable sources, including biofuels used in boiler operations, stands at 24.2%.

The overall avoided GHG emissions – 42,020 tons CO2e.

These initiatives underscore Granules' commitment to sustainability through operational excellence, renewable energy adoption, and continuous improvement in energy use, all aligned with its long-term Net Zero ambitions and science-based targets.

Sl. No.	Initiatives Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Zero Liquid Discharge System	We maintain Zero Liquid Discharge Systems and Effluent Treatment Plants with RO Recovery Systems to ensure that the effluents generated are treated to minimize the environmental impact and reuse resources wherever possible.	The initiative has enabled complete wastewater recycling, reducing freshwater dependency and ensuring zero liquid discharge from operations.

Sl. No.	Initiatives Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2.	Implementation of Rooftop Solar	At our Gagillapur unit, we enhanced our on-site solar power capacity by adding 660 kW to the existing 320 kW system, reaching a total capacity of 1 MW. This expansion contributed to an overall electricity generation of 722 MWh during the year.	722 MWh of power Generated and 524 MT of CO2 GHG Emissions Avoided
3.	Purchase of Renewable Energy through PPA	We procured 6081 MWh of Electricity for Gagillapur unit.	4420 tCO2e of GHG emissions avoided.
4.	Purchase of Renewable Energy Certificates	We have procured 50000MWh of RECs for our Gagillapur, Bonthapally and Jeedimetla unit.	36,350 tCO2e of GHG emissions are offsetted.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Granules has implemented an Enterprise-wide Risk Management (ERM) framework to identify, prioritize, and continuously monitor the most critical business risks. The board established a dedicated internal Risk committee to oversee and assess these risks continuously.

Granules has established a structured process to monitor its current risk profile and adjust priorities as part of a comprehensive long-term risk mitigation strategy. Granules has engaged third-party to develop a Business Continuity Plan (BCP) and support its Risk Management Program review as part of the ERM framework. The Draft BCP is undergoing review to ensure robustness and readiness.

Granules also has disaster management plans in place to address natural calamities. These plans include onsite emergency procedures and tailored disaster management strategies at the unit level, considering various potential scenarios. This holistic approach underscores Granules' commitment to ensuring business continuity, safeguarding operations, and protecting its stakeholders in the face of unforeseen events.

6. Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact has been observed during value chain assessments. However, we understand that climate change impacts all sectors and all sectors have an impact on the climate. Therefore, we engaged with our suppliers to evaluate the climate impact in the value chain due to carbon emissions occurring on account of manufacturing products for Granules. We have committed and established a strategy to reduce carbon emissions.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

90% of our partners are assessed for environmental impacts. We have regular supplier audits and educate the major suppliers on the environmental aspects.

PRINCIPLE 7- BUSINESS, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Granules is committed to shaping public policy related to its area of interest. It believes in the above statements and has been associated with a national trade organization to promote policies and regulations related to pharma companies in the country. Taking responsibility for its business responsibilities, Granules has transparently disclosed this in its BRSR.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations

The company is associated with various industry chambers/associations as listed below:

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Description of Main Activity	Reach of trade and industry chambers/ associations (State/ National)
1	Pharmaceutical supply Chain Initiative (PSCI)	International
2	United Nations Global Compact (UNGC)	International
3	British Safety Council of India (BSCI)	International
4	Safety Council of India (NSCI)	National
5	Center for Fourth Industrial Revolution (C4IR)- World Economic Forum	International
6	Confederation of Indian Industry (CII)	National
7	Bulk Drug Manufacturer Association of India (BDMAI)	National
8	The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the Authority	Brief of the case	Corrective Action Taken
	None	

No adverse orders from regulatory authorities have been received on issues related to anti-competitive conduct by the entity.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Granules actively engages with national and global platforms to promote sustainability, safety, innovation, and industry development.

As a member of the Pharmaceutical Supply Chain Initiative (PSCI), we uphold responsible supply chain standards and collaborate on ethical, environmental, and safety practices. Through our commitment to the United Nations Global Compact (UNGC), we align with the Ten Principles and contribute meaningfully to the UN Sustainable Development Goals. Our membership in the British Safety Council (BSC) and the National Safety Council of India (NSCI) strengthens our health and safety frameworks by enabling access to global best practices, training, and regulatory insights. At the Centre for the Fourth Industrial Revolution (C4IR) of the World Economic Forum, Granules contributes to advancing technology-driven sustainable manufacturing. Additionally, we participate in policy advocacy and industry collaboration through the Confederation of Indian Industry (CII) and the Bulk Drug Manufacturers Association of India (BDMAI), promoting innovation and excellence in the pharmaceutical sector. At the regional level, our engagement with the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI) supports local economic growth and responsible business practices. Collectively, these affiliations reflect Granules' commitment to responsible leadership and continuous improvement across all facets of our operations.

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	Promotion of responsible supply chain practices, environmental sustainability, health and safety standards, innovation in pharma manufacturing, and regulatory policy reforms	Participation in industry associations and forums like PSCI, UNGC, NSCI, BSC, C4IR (WEF), CII, BDMAI, and FTAPCCI through working groups, consultations, and knowledge-sharing sessions	No	At Frequent Intervals	Not applicable

PRINCIPLE 8- BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

As a part of the Corporate Social Responsibility, Granules has been actively engaged in anchoring CSR programs for the benefits of its communities and stakeholders. We have identified the themes for CSR and has undertaken projects for benefit of the communities they operate in.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In Rs)
Not Applicable, since all our operations are in the Industrial area						

3. Describe the mechanisms to receive and redress grievances of the community.

Granules has established a Grievance redressal Policy to effectively address the concerns of the community where we operate. To facilitate transparency and accessibility, Granules provides multiple communication channels as part of its Grievance Policy. These include direct meetings, email correspondence, and dedicated grievance forms. Each grievance is handled promptly, committed to providing a timely resolution or response per the established timeline. Individuals can approach the unit's HR manager to formally document their grievances and submit a written complaint. Once received, the plant head reviews the grievance in consultation with relevant stakeholders within the organization. Each grievance is handled promptly, with a commitment to resolving or responding within 30 days.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2024-25	FY2023-24
Directly sourced from MSMEs/ small producers	5.8%	5.1%
Sourced directly from within the district and neighbouring districts*	54%	46%

*- Procured within India

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	FY2024-25	FY2023-24
Rural	10.97%	12.13%
Semi-urban	76.32%	75.28%
Urban	6.99%	7.54%
Metropolitan	5.76%	5.05%

The following locations have been considered under each category:

- Rural: Bonthapally (GIL-1 and GIL-3)
- Semi-Urban: Gagillapur (GIL), Parawada (GIL-4 and GIL-5), Genome Valley
- Urban: Jeedimetla (GIL-2), Pragathi Nagar (RC1 and RC2)
- Metropolitan: Pune R&D Center, Corporate Office (Hyderabad)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational district	Amount spent (in Rs)
Nil			

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Our sustainable procurement policy prioritizes suppliers from marginalized or vulnerable groups while maintaining product quality standards. We also support MSMEs and Small Suppliers. This commitment ensures that our procurement decisions contribute positively to social equity without compromising product quality. We aim to support suppliers who uphold fair Labor practices and promote diversity. This approach aligns our sourcing practices with ethical standards and fosters inclusive economic growth in our supply chain.

(b) From which marginalized /vulnerable groups do you procure?

We are in the process of collecting this information across our value chain

(c) What percentage of total procurement (by value) does it constitute?

We are in the process of collecting this information across our value chain

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR projects:

Sl. No.	CSR Projects (in FY 2024-25)	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Pharma Pathashala - Placement Linked skilled development program for rural youth who have completed their 10+2	1450 Students (Since Inception in 2017) with 250+ participants in the current year	90%
2.	A mobile mammography service brings early detection and awareness to underserved women, empowering them with access, knowledge, and hope.	1000 women	95%
3.	Granules India serves as the title sponsor for the Granules Green Kanha Run, organized by the Heartfulness Institute	3500+ Runners	NA
4.	Granules India, in partnership with TSPCB, distributed 7,500 clay Ganesha idols to promote eco-friendly practices during Vinayaka Chathurthi, encouraging sustainable celebrations and reducing environmental impact.	7500 clay Ganesha idols	NA

Sl. No.	CSR Projects (in FY 2024-25)	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
5.	Education Kit Donation Drive provides essential learning resources to underprivileged students in government schools, helping bridge educational gaps and support academic success.	550 students	90%
6.	In collaboration with Nirmaan Organization, a government school in Gagillapur was transformed through infrastructure upgrades, creating a safer and more motivating learning environment for students and teachers.	380 students	90%
7.	Nutritional kits were distributed to TB patients in Bhadradri Kothagudem, supporting the Pradhan Mantri TB Mukht Bharat Abhiyan and enhancing recovery and treatment adherence.	1080 patients (6180 kits)	80%
8.	Granules has provided valuable support by appointing five dedicated Vidya Volunteers. These volunteers are crucial in assisting the teaching staff, enhancing the learning environment, and contributing to the student's academic growth.	600+ Students	100%
9.	In partnership with Nirmaan Organization, school shoes were distributed to underprivileged children at Gagillapur ZPH and MPP schools, ensuring better comfort, mobility, and consistent school attendance to support their education.	380 students	90%
10.	In partnership with Potukuchi Somasundara Trust, a fully constructed building was donated to support educational activities for government school students in Bonthapally, providing them with essential resources and training for academic success.	70 students	90%

PRINCIPLE 9- BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Granules understand the importance of businesses to provide safe and valuable products and recognize its role in promoting responsible consumption and strives to abide by the same.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- At Granules India, we strongly emphasize providing our customers with the best quality products. We believe in delivering quality products and on-time service to all our customers. To achieve this, our marketing team actively collects customer feedback through various channels, including surveys, direct communications, and customer service interactions. This feedback is then processed and analyzed to identify areas for improvement and ensure that our products and services meet customer expectations.
- All customer complaints received are resolved within the timeframe stated in our quality standard operating procedures, with proposed improvements incorporated into our processes. We ensure that no complaints remain unresolved (at the end of the stipulated period for resolution) by the end of the financial year. Each logged consumer complaint is thoroughly investigated, and a detailed response with action plans is provided to our customers and respective internal stakeholders as required. This systematic approach helps us address issues promptly and implement necessary changes to enhance product quality and customer satisfaction.
- Integrating customer feedback into our continuous improvement efforts demonstrates our commitment to excellence and dedication to maintaining the highest standards in everything we do. This proactive approach ensures that our customers receive the best products and services, reinforcing our reputation for quality and reliability.

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	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Granules complies with all regulatory requirements regarding the display of information on product labels. Our labels clearly show the product name, strength, batch number, expiry date, and manufacturer address. This ensures that consumers have all the essential information they need.

We emphasize the importance of safe and responsible usage, providing clear instructions on using the product correctly. Our product brochures also contain information on recycling and safe disposal, guiding consumers on managing the product responsibly after use. This comprehensive approach meets regulatory standards and promotes environmental consciousness and social responsibility, ensuring the well-being of our customers and the community.

3. Number of consumer complaints:

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other-Packaging, Quality, Transit and others	580	0	All the complaints were resolved during the reporting period	486	0	All the complaints were resolved during the reporting period

4. Details of instances of product recalls on accounts of safety issues

	Number	Reasons for recall
Voluntary recalls	2	Two product recalls were initiated as a precautionary measure: one involving Gabapentin 600 mg due to the presence of incorrect tablets in a bottle, and another for Metformin ER 500 mg due to mixing of tablets from a different product batch.
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Our Privacy Policy aims to ensure the privacy of Personal Information processed by Granules by implementing necessary controls and complying with legal and regulatory requirements. It also seeks to create a culture of privacy by promoting employee awareness. The policy applies to all employees, including contractual employees and interns. Our commitment to data privacy is evident from our emphasis on protecting personal information, which is crucial in today's digital age, where data breaches are a constant threat. The policy helps to build trust among our customers and stakeholders, demonstrating our commitment to data privacy and protection.

Our Privacy Policy is available on our Intranet and is communicated to all relevant stakeholders as needed.

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 product recalls or penalties from regulatory authorities regarding safety and product quality were recorded in the reporting year. Therefore, no corrective actions are needed or required.

   At Granules, we have established strong quality systems to prevent such issues. These systems ensure our products are safe and high-quality throughout their shelf life. Our commitment to quality helps us avoid any problems and maintain the trust of our customers and regulatory bodies. We continuously monitor and improve our processes to uphold these high standards and ensure the best outcomes for our consumers.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along with impact:**

      At Granules, there were no instances of consumer and product data breaches during the reporting year.

   b. **Percentage of data breaches involving personally identifiable information of customers):**

      No incidents involving a breach of personally identifiable information were recorded in the reporting year.

   c. **Impact, if any, of the data breaches**

      Nil

Leadership Indicators

1. **Channels / platforms where information on products and services of the Company can be accessed All our product catalogues are available on our website. The respective links are provided below:**

   - Active Pharmaceutical Ingredients Catalogue
     https://granulesindia.com/products/active-pharmaceutical-ingredients-apis/active-pharmaceutical-ingredients-catalog/
   - Pharmaceutical Formulations Intermediates Catalogue
     https://granulesindia.com/products/pharmaceutical-formulations-intermediates/
   - Finished Dosages
     https://granulesindia.com/products/finished-dosages/
   - High Potent Products Catalogue
     https://granulesindia.com/products/high-potent-product/

2. **Steps taken to inform and educate consumers, especially vulnerable and marginalized consumers, about safe and responsible usage of products and services.**

   - We provide clear instructions that describe the product's active ingredients, caution for consumption or usage, possible side effects, and guidelines for storage and disposal.
   - For each product, we include a material safety data sheet that offers detailed information on handling and storage.
   - Additionally, every pack comes with a product leaflet containing essential information about drug administration, compositions, and potential side effects. This information is designed to be self-explanatory and easy to understand.
   - To ensure safety, we also include very specific disclaimers on all medicines, emphasizing that they should only be used as directed by healthcare professionals
   - We aim to ensure consumers have all the information they need to use our products safely and effectively.

3. **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**

   At Granules, mail communications are sent to inform consumers of any service disruption or discontinuation risk. These notifications ensure that all consumers know of potential issues, providing timely and clear information.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/Not Applicable) If yes, provide details in brief.**

   Yes, Granules displays the Product name, strength, batch number, expiry date, and manufacturer address details on product labels in a readable format, as per regulatory requirements.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, Our Customer Relations and Marketing team collects customer feedback directly through interactions with all our customers. The feedback is recorded and processed by the respective stakeholders at Granules.

Management Discussion and Analysis

Macroeconomic and Policy Context

The global macroeconomic environment in FY 2024–25 remained challenging, marked by persistent inflation, geopolitical tensions, and growing trade protectionism. The evolving tariff dynamics, particularly between major economies, have introduced uncertainty in global supply chains—including pharmaceuticals. At the same time, the debate around medicine pricing and healthcare affordability has intensified, especially in the United States and Europe, where payers and regulators continue to demand greater value and transparency from manufacturers.

Within this volatile backdrop, the pharmaceutical industry remains a critical pillar of resilience and innovation. Demand for healthcare continues to grow, driven by aging populations, rising chronic disease burden, and an accelerated shift toward specialty therapies. However, the industry must increasingly navigate complex regulatory frameworks, supply chain disruptions, and rising expectations around environmental and social responsibility.

Granules has responded to this evolving global context by sharpening its focus on compliance, operational excellence, innovation-led growth, and sustainability—positioning itself to deliver long-term value while adapting to the demands of a changing world.

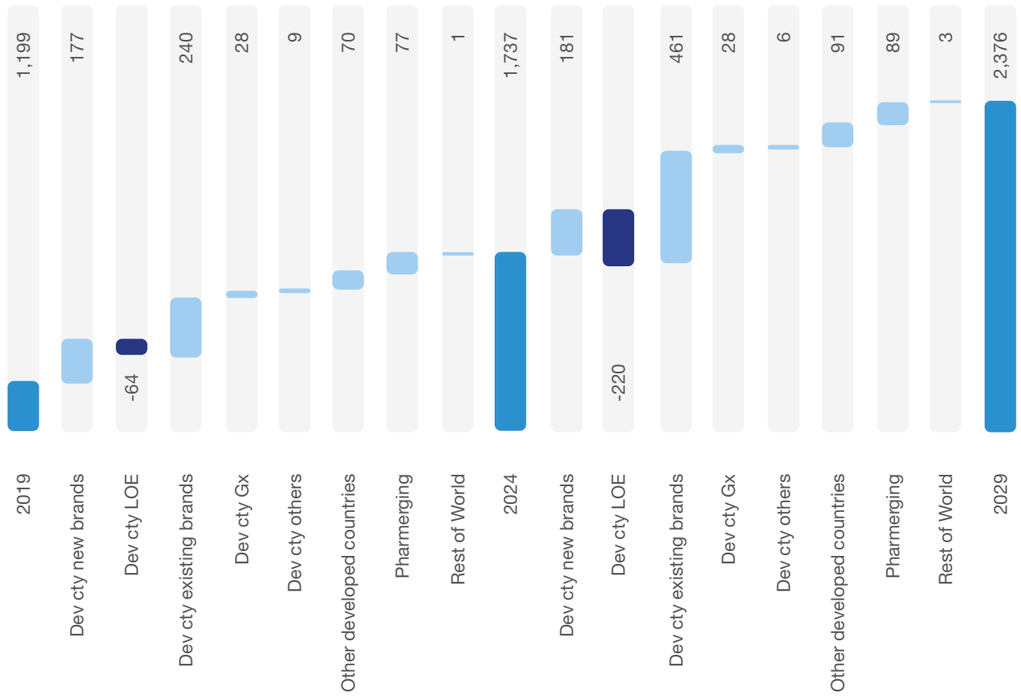
Global Pharmaceutical Market

The global pharmaceutical market is expected to reach $2.3 trillion by 2028, growing at a CAGR of 5–8%, driven by an aging population, increasing prevalence of chronic diseases, and sustained investment in innovative therapies. GLP-1s for diabetes and obesity, along with oncology and immunology drugs, are leading therapeutic growth.

A growing share of spending is now attributed to specialty medicines, which comprised over 50% of total global drug expenditure in 2024. Meanwhile, digital health, AI-driven drug discovery, and telemedicine continue to evolve, though affordability, access, and regulatory scrutiny remain central challenges.

Global spending on medicine use ($ Billion)

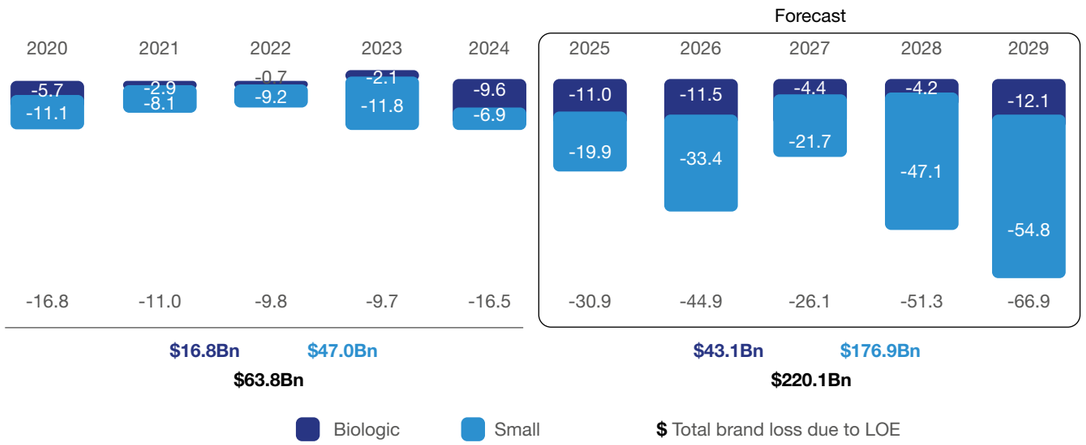
Exhibit: Global spending and growth, const $USBn, 2019-2029, excluding COVID-19 vaccines and therapeutics



Source: IQVIA Institute, May 2025

The impact of exclusivity losses will reach $220Bn over 5 years, with a surge in small molecule expiries

Exhibit: 10 developed countries impact of brand losses of exclusivity 2020-2029, US$Bn



Source: IQVIA Market Prognosis, May 2025; IQVIA Institute, May 2025.

United States

The U.S. pharmaceutical market reached $487 billion in 2024, growing by 11.4% year-on-year. This surge was driven by the uptake of GLP-1 agonists, immunology therapies, and oncology treatments, supported by evolving standards of care and patient access. Specialty drugs now account for 54% of spending.

- **Generics:** Account for 90% of adjusted prescriptions, but face increasing pressure from slow uptake and high claim rejection rates post-launch.
- **Market Dynamics:** A shift toward chronic disease therapies and Medicare Part D reforms under the Inflation Reduction Act is expected to support affordability and adherence.
- **Access Challenges:** High abandonment rates for newly launched brands persist, largely due to payer controls and benefit designs.

Europe

The European pharmaceutical market is projected to grow from $226 billion in 2023 to $296 billion by 2028. Growth will be driven by biosimilars, generics, and new brand launches, even as economic uncertainty, inflation, and policy reforms affect market dynamics.

- **Loss of Exclusivity (LOE):** Expected to double, creating a $32 billion opportunity, over half of which is attributable to biologics.
- **Generics & Biosimilars:** Will add $18 billion in value over the next five years, although price erosion and volume caps will moderate growth.

Japan

Japan's market is projected to remain flat through 2028, with innovative brands offset by mandatory annual price cuts. The government's strong push for generic substitution through incentives and penalties has driven increased penetration, with generic market share continuing to rise.

India and Pharmerging Markets

Pharmerging markets—including India, China, Brazil, and other Asian and Latin American countries—are expected to grow predominantly through volume expansion rather than high-cost innovations.

- **China:** Medicine spending is projected to grow from $163 billion in 2023 to $197 billion by 2028, driven by broader healthcare coverage and rising chronic disease burden.
- **India:** Continues to lead in generic production and supply chain resilience. Growth is supported by government incentives, cost competitiveness, and a rising share of global volume.
- **Market Character:** These regions rely on branded generics and local manufacturing, with less spending on originator biologics or novel therapies.

Company Overview

Granules India is a vertically integrated pharmaceutical company with a presence across the entire value chain—from Active Pharmaceutical Ingredients (APIs) and Pharmaceutical Formulation Intermediates (PFIs) to Finished Dosages (FDs). Our differentiated business model, combining scale, cost leadership, and regulatory compliance, allows us to serve over 300 customers across more than 80 countries. North America remains our largest market, contributing 77% of revenues, followed by Europe, Latin America, and AMEA. Our manufacturing footprint spans India and the United States, supported by global R&D centres and a growing innovation pipeline.

Business Strategy: Expanding Horizons – Building a Stronger Tomorrow

Granules is evolving into a more resilient, science-driven, and sustainable organization with a sharpened focus on compliance, innovation, and global impact. Our strategic roadmap reflects this transformation and is anchored in three interlinked pillars:

I. Reinforcing the Foundation: Compliance, Scale, and Execution

We are strengthening the core of our business by embedding a culture of compliance, deepening operational resilience, and scaling manufacturing for future-ready growth. Key priorities include:

- Robust remediation and governance processes to uphold global quality and regulatory standards.
- Expanding large-scale manufacturing for both prescription and monograph products, including the Genome Valley facility which adds 10 billion doses of capacity.
- Driving cost leadership through vertical integration, strategic sourcing, and process excellence.
- De-risking supply chains and building agility across geographies and product lines.

II. R&D and Innovation Focus

Innovation is at the heart of Granules' transformation. We are building differentiated capabilities to address evolving medical needs and unlock new opportunities in complex generics and next-generation therapies.

- Over 400 scientists across India, the U.S., and Switzerland advancing a focused pipeline in CNS/ADHD, oncology, and metabolic disorders.
- Early-to-market strategies (Day 1 and Day 181) guiding development across high-barrier products.
- Establishment of cutting-edge R&D infrastructure and platform technologies to support sustained innovation.
- Launch of Ascelis Peptides to lead our expansion into peptides, oligonucleotides, and peptide-drug conjugates—emerging as growth drivers for the future.

III. Sustainability as a Strategic Lever

Granules has embedded sustainability into everyday business decisions, turning ESG from a compliance mandate into a competitive advantage.

- SBTi-validated Net Zero targets (near-term and long-term), aligned with the 1.5°C climate pathway.
- Recognition through global benchmarks: CDP 'B' rating, CDP SEA A-List, and EcoVadis Gold.
- Supplier Sustainability Program and green chemistry initiatives through CZRO to enable value chain decarbonization and circularity.
- Governance-led ESG oversight integrated into risk management, innovation, and capital allocation.

The Peptide Revolution and Granules' Strategic Entry

Granules India's acquisition of Senn Chemicals AG, a Swiss-based CDMO with a legacy of over 60 years in custom peptide synthesis, marked a transformational milestone in the company's evolution. This strategic investment enables Granules to establish a significant presence in the high-growth peptide therapeutics segment, while also expanding into the global contract development and manufacturing (CDMO) space. Through this acquisition and the creation of a dedicated subsidiary, Ascelis Peptides, we are positioning ourselves at the intersection of cutting-edge science and scalable manufacturing.

Senn Chemicals has long been recognized as a specialist in Liquid-Phase Peptide Synthesis (LPPS) with emerging capabilities in Solid-Phase Peptide Synthesis (SPPS), catering to leading pharmaceutical, cosmetic, theragnostic, and amino acid derivative (AAD) customers worldwide. Its established reputation, robust quality systems, and customer base among global innovators offer Granules a valuable platform to expand its capabilities, deepen R&D sophistication, and access regulated markets through a trusted European brand. The acquisition also gives us the springboard to develop new product lines for Granules, particularly in the area of peptide-based generics, such as GLP-1 receptor agonists used in the treatment of diabetes and obesity.

Peptide-based therapeutics represent one of the most promising growth frontiers in global pharma, driven by their high specificity, favorable safety profiles, and increasing applications in chronic diseases and oncology. Sales of peptide-based GLP-1 therapies alone crossed $50 billion by end of 2024, with projections estimating the combined anti-diabetic and anti-obesity peptide market to reach $100–150 billion by 2030. This space is also seeing significant pipeline activity, with over 170 disclosed obesity-related peptide therapies in development globally. Granules' foray into this space, anchored by **Ascelis Peptides** and powered by **Senn's legacy**, offers a compelling second growth engine that complements our core generics business.

Ascelis Peptides has been envisioned as an innovation-driven, end-to-end peptide platform spanning early-stage development to commercial manufacturing. With R&D assets in Switzerland, a new peptide lab under development in India, and greenfield manufacturing plans in India, Ascelis brings together the best of science, scale, and cost-efficiency. The integrated capabilities will allow Granules to address both its own generics portfolio needs and those of CDMO clients—offering differentiated value across APIs, amino acid derivatives, peptide fragments, and finished dosage forms. This initiative, supported by targeted investments and cross-functional governance, is aligned with our long-term strategy of building future-ready platforms that fuel sustained growth.

Business Overview and Operational Performance

FY 2024–25 was marked by stable performance in the face of regulatory headwinds. Consolidated revenues stood at ₹44,816 million, broadly flat year-on-year. While API and PFI sales were impacted due to softer demand and price erosion, the Finished Dosages segment grew by 18% and now accounts for 77% of total revenue—compared to 65% in the previous year. This reflects our strategic shift toward higher-margin, differentiated formulations. Our business continuity was maintained despite a voluntary production pause in September 24 at our Gagillapur facility, underscoring the strength of our diversified manufacturing network and supply chain resilience.

We continued to invest in infrastructure to enable near to mid term, scalable growth. Phase I of our new formulation facility at Genome Valley under Granules Life Sciences was commercialized during the year for monograph products. The facility is expected to become fully operational and commercially ready in FY26, ultimately adding 10 billion doses to our annual capacity, with dedicated streams for both prescription and monograph products. In addition, the near term growth will be driven by new launches in the CNS/ADHD segment from our U.S. site (GPI) and strategic large-volume products enabled by cost efficiency. Looking ahead, our oncology block at Vizag (Unit V) is set to play a key role in supporting the next phase of expansion in complex generics over the medium to long term.

Financial and Segment Performance

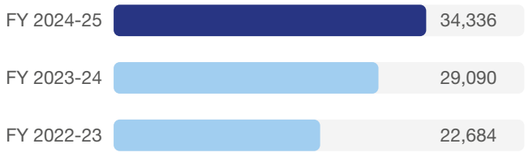
Granules India delivered a stable financial performance in FY 2024–25 despite regulatory and macroeconomic headwinds. Consolidated revenue stood at ₹44,816 million, broadly flat compared to the previous year. Strategic portfolio shifts towards higher-margin finished dosages, enhanced cost control, and operational efficiencies supported profitability. EBITDA grew by 10% to ₹9,452 million, with margins improving to 21.1%. Net profit after tax increased by 24% to ₹5,015 million, while operating cash flows compared to FY 24, doubled to ₹8,666 million.

Finished Dosages (FD)

The FD segment remained the primary revenue contributor, accounting for 77% of total revenues, up from 65% in FY24. The 18% year-on-year growth was driven by new launches in the US CNS/ADHD space, continued strength in OTC products, and increased monograph product dispatches from the newly commissioned Genome Valley facility. Improved product mix and scale efficiencies contributed to stronger margins. The segment continues to benefit from our integrated supply chain and robust manufacturing base across India and the US.

Finished Dosages (FD) Revenue

(₹ in Millions)

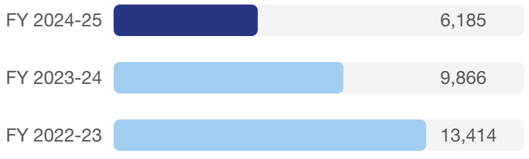


Active Pharmaceutical Ingredients (API)

The API segment faced pricing pressure during the year as well as industry-wide softness in demand for Paracetamol. However, this was partially offset by lower input costs for key raw materials. While revenue contribution from APIs declined, the segment remains integral to Granules' vertical integration model and cost competitiveness in finished dosages. Ongoing investments in process optimization and cost efficiency are expected to sustain long-term relevance and profitability.

Active Pharmaceutical Ingredients (API) Revenue

(₹ in Millions)

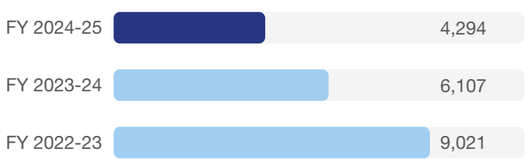


Pharmaceutical Formulation Intermediates (PFI)

The PFI segment also saw pressure from lower realizations, which was mitigated by a favorable raw material cost environment. Although overall demand remained subdued, the segment continues to offer competitive advantages through formulation-ready offerings and operational flexibility. Granules remains focused on strengthening its position in attractive PFI markets across select geographies, where customized solutions and cost efficiencies are valued.

Pharmaceutical Formulation Intermediates (PFI) Revenue

(₹ in Millions)



R&D and Innovation

Granules continues to scale its innovation engine as a key pillar of long-term growth. In FY 2024–25, R&D investment increased by 20% to ₹2,377 million, representing over 5.3% of revenue—up from 4.4% in FY 24. Our budgeted allocation for the coming years exceeds 6% of revenue, underscoring our sustained commitment to science-led value creation.

Our global R&D network spans **Hyderabad (Genome Valley, Pragathi Nagar), and Pune in India;** Virginia in the United States; and Zurich in Switzerland. This network is powered by over 400 scientists working across API and Finished Dosage research, supported by a steadily expanding infrastructure base. Our Genome Valley R&D facility serves as a hub for integrated product development, while specialized teams continue to advance complex formulation design, controlled substances, and enzyme-based technologies including biocatalysis and fermentation.

In parallel, our portfolio is being augmented in the **CNS/ADHD segment**, where Granules has built differentiated capabilities and is developing new differentiated products to strengthen our position in the U.S. market, including early-to-market opportunities. In the **oncology segment**, we are advancing a focused pipeline designed to pursue early-to-market opportunities, including **Day 1 and Day 181** strategies, backed by rigorous development and regulatory planning. These initiatives reflect our continued emphasis on complex generics with high entry barriers and long-term value creation.

A significant milestone this year was the strategic expansion into next-generation modalities—peptides, oligonucleotides, and peptide-drug conjugates—led by our global subsidiary Ascelis Peptides. Anchored in capabilities acquired through the Senn Chemicals AG acquisition, Ascelis offers end-to-end development and manufacturing solutions for these emerging segments. A dedicated peptide R&D lab is also being established in India to complement our global capabilities and accelerate our pipeline in high-potential therapeutic areas such as **diabetes, obesity, and oncology.**

Quality and Compliance

FY 2024–25 was a pivotal year in reinforcing Granules' commitment to robust quality systems and regulatory compliance. Following a routine inspection by the US FDA at our Gagillapur Finished Dosage facility in August 2024, the site received a Warning Letter in February 2025. While commercial supply remains unaffected, the regulatory status has temporarily impacted review timelines for pending product filings from this site.

Granules initiated a comprehensive remediation program immediately after the inspection, in close partnership with globally recognized third-party consultants. The program has included a thorough risk assessment, enhanced contamination controls, extensive product and environmental testing, and significant strengthening of cleaning validation protocols. Over 140 corrective and preventive actions (CAPAs) have been initiated, with most already closed and independently verified for effectiveness.

In parallel, we are rolling out organization-wide quality improvement measures to institutionalize stronger compliance practices and embed a culture of quality across all functions. These include enhanced SOPs, governance frameworks, and capability-building initiatives at both site and corporate levels.

We remain fully engaged with regulatory authorities and committed to completing the remediation process in a timely and effective manner. Our long-term focus is to build resilient, best-in-class quality systems that meet global standards and support sustainable growth.

Sustainability and ESG

FY 2024–25 marked a significant step forward in Granules' sustainability journey, with measurable progress across climate action, responsible sourcing, and ESG governance. Our commitment to embedding sustainability into core business strategy was recognized through multiple global benchmarks and industry accolades during the year.

Granules received a **Gold rating from EcoVadis** in our first-ever company-wide assessment, placing us among the **top 5% of pharmaceutical companies globally.** We improved our **CDP Climate Rating to a 'B'**, reflecting enhanced disclosures, risk management, and decarbonization efforts. Importantly, we achieved **validation from the Science Based Targets initiative (SBTi)** for both our near-term emission reduction targets— as well as for long term Net Zero (2050 or sooner) demonstrating alignment with the 1.5°C pathway.

We also made strong strides in extending sustainability across our value chain. Granules was named to the **CDP 2024 Supplier Engagement Assessment (SEA) leadership board and featuring in the A-List**, a distinction awarded to companies demonstrating leadership in managing Scope 3 emissions and supplier collaboration. As part of this, we launched a structured **Supplier Sustainability Program**, aimed at enhancing transparency, supporting suppliers on renewable energy adoption, and aligning them with our climate targets.

Additionally, Granules was conferred the prestigious **Golden Peacock Award for Sustainability** by the Institute of Directors (IOD), recognizing our integrated, forward-looking approach to ESG. Looking ahead, we remain focused on further strengthening climate resilience, water stewardship, and circularity, while reinforcing our governance and disclosure standards in line with global best practices.

Risks and Mitigation

Granules operates in a complex global pharmaceutical environment that presents a variety of strategic, operational, and compliance-related risks. The Company has institutionalized a robust Enterprise Risk Management (ERM) framework to proactively identify, assess, and mitigate risks across business functions. This framework is regularly reviewed by the Board and the Audit Committee to ensure its effectiveness in supporting sustainable value creation.

Regulatory and Compliance Risk:

Operating in highly regulated markets, Granules faces ongoing scrutiny from global health authorities. The Company mitigates this risk through continuous investment in quality systems, internal audits, and strong regulatory affairs capabilities. The current remediation efforts at the Gagillapur facility reflect our commitment to regulatory compliance and long-term quality enhancement.

Market and Competition Risk:

Price erosion, technological disruption, and competitive intensity are ongoing challenges in the generics sector. Granules addresses this through portfolio diversification, vertical integration, and increased focus on high-value segments like CNS/ADHD, oncology, and peptides. The acquisition of Senn Chemicals enhances our position in differentiated, high-growth markets.

Supply Chain and Operational Risk:

Granules mitigates supply chain vulnerabilities through a diversified vendor base, adequate raw material buffers, and investment in automation and digitalization. The Genome Valley facility and enzyme manufacturing capabilities further improve operational resilience and supply reliability.

Cybersecurity Risk:

Post the May 2023 cyber incident, the Company has significantly upgraded its cybersecurity infrastructure, including firewalls, intrusion detection, training, and monitoring systems. A comprehensive response and recovery plan is in place to safeguard critical operations and data.

Financial Risk:

Granules actively manages foreign exchange, liquidity, and interest rate exposure through hedging strategies and prudent financial controls. The Company's improved cash flow profile and reduced net debt in FY 2024–25 strengthen its financial flexibility.

Human Capital Risk:

Recognizing the importance of talent, Granules continues to invest in capability building, leadership development, and retention strategies. Enhanced R&D staffing and leadership bench strength are helping future-proof the organization.

ESG and Sustainability Risk:

Increasing scrutiny from customers, regulators, and investors on ESG performance presents both risks and strategic imperatives. Inadequate responses to evolving expectations can impact reputation, stakeholder confidence, regulatory standing, and access to capital.

Granules mitigates these risks through a well-integrated sustainability strategy. Our climate goals are validated by the **Science Based Targets initiative (SBTi)** for both near-term and Net Zero targets, aligned with the 1.5°C pathway. In FY 2024–25, we improved our **CDP Climate Rating to 'B'**, were named to the **CDP SEA A-List,** and launched a structured **Supplier Sustainability Program** to strengthen Scope 3 emissions management. We also received a **Gold rating from EcoVadis,** placing us in the **top 5% of global pharmaceutical companies** in our first enterprise-wide assessment.

Initiatives such as CZRO (Granules' initiative for decarbonization of the supply chain) support our broader goals around Scope 3 reduction and green chemistry adoption. These efforts are backed by strong corporate governance, an independent Board, and transparent ESG disclosures aligned with global best practices.

Outlook

Granules enters FY 2025–26 with a clear strategic focus: strengthening our compliance foundation, accelerating growth across core and emerging businesses, and building long-term resilience through innovation and sustainability. Our growth trajectory remains robust and diversified, not solely dependent on approvals from the Gagillapur site.

In the near term, we expect momentum to be driven by new product launches from our U.S. facility (GPI), particularly in the CNS/ADHD segment, continued volume expansion in large-scale formulations, and commercialization of prescription and monograph products from our Genome Valley facility. Phase II of this facility, which will bring total capacity to 10 billion doses, is expected to be commissioned in FY 2025–26.

Our pipeline in oncology, CNS, and metabolic disorders is advancing with a strategic focus on early-to-market opportunities, supported by targeted R&D investment and regulatory planning. The launch of Ascelis Peptides and the ongoing build-out of peptide and subsequently oligonucleotide capabilities will further diversify our portfolio and strengthen our relevance in next-generation therapeutics.

On the sustainability front, we remain committed to achieving our milestones for validated Net Zero targets, deepening supplier engagement, and embedding ESG into everyday business decisions. Our integrated approach to science, scale, and purpose positions Granules for broad-based, sustainable growth—creating value for patients, partners, and shareholders in the years to come.

Financial Review

Consolidated Abridged Profit & Loss Statement

(₹ in million)

Particulars	FY 25	FY 24
Revenue	44,816.08	45,063.67
EBITDA	9,452.36	8,559.80
PAT	5,015.16	4,053.10
EPS	20.69	16.73

Revenue from Operations

The Company formulations sales recorded an 18% growth, even though production was voluntarily halted at the Gagillapur facility in September 2024 due to USFDA observations. Remediation efforts led to a production slowdown during Q3 and Q4. Additionally, pricing pressures and demand issues in the API /PFI segments affected overall sales growth.

EBITDA

EBITDA for FY25 was ₹9,452 million, as compared to ₹8,560 million in FY24, reflecting improved margins despite higher air freight and professional expenses incurred for the remediation of USFDA observations.

Consolidated Balance Sheet

(₹ in million)

Particulars	As on March 31, 2025	As on March 31, 2024
Assets		
Tangible and Intangible Assets	28,666.59	23,673.16
Non-current Assets other than above	2,704.21	2,486.18
Current Assets	31,154.81	29,050.48
Total Assets	**62,525.61**	**55,209.82**
Equity and Liabilities		
Share Capital	242.54	242.37
Other equity	36,913.24	32,013.07
Non-current liabilities	5,338.22	2,131.45
Current Liabilities	20,031.61	20,822.93
Total Equities and Liabilities	**62,525.61**	**55,209.82**

Total Assets increased to ₹62,525.61 million as of March 31, 2025, up from ₹55,209.82 million in the previous year. This growth was driven by investments in tangible assets, reflecting ongoing capacity expansions in Granules Life Sciences and technological advancements.

Equity and Liabilities

Total equity increased from ₹32,255.04 million as of March 31, 2024, to ₹37,155.78 million as of March 31, 2025, primarily due to the profit generated during FY25.

Debt Position

(₹ in million)

Particulars	As on March 31, 2025	As on March 31, 2024	Change
Long-Term Debt (Current portion)	517.14	1,000.15	(483.01)
Long-Term Debt (non-current portion)	3,115.11	689.71	2,425.40
Short-Term Borrowings	9,225.61	10,542.40	(1,316.79)
Total Debt	**12,857.86**	**12,232.26**	**625.60**

Total debt stood at ₹12,857.86 million, up from ₹12,232.26 million as of March 31, 2024, reflecting increased long-term borrowings to support capacity expansion.

Cash Flow

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Cash and Cash equivalents	3,811.00	2,915.57
Cash Flow from Operating Activities	8,665.66	4,394.14
Cash Flow from Investing Activities	(6,912.86)	(3,601.6)
Cash Flow from Financing Activities	(925.06)	76.64
Effect of Exchange Rate Changes	22.40	26.25
Closing Cash and Cash Equivalents	4,661.14	3,811.00

Cash Flow from Operations

Cash flow from operations for FY25 was ₹8,666 million, up from ₹4,394 million in FY24. This increase was primarily due to improved operating performance, which contributed to stronger cash flow.

Capital expenditures (Capex)

Capex during FY25 was ₹5,700 million, primarily invested in Granules Life Sciences to support strategic growth initiatives and operational expansions.

Financial Ratios

Key Ratios	As on March 31, 2025	As on March 31, 2024	% Variance	Reason for Variance (if more than 25%)
Debtors Turnover	4.65	4.66	0%	
Inventory Turnover	3.39	3.68	-8%	
Interest Coverage Ratio	7.10	6.17	15%	
Current Ratio	1.56	1.40	11%	
Debt Equity Ratio	0.35	0.38	-9%	
EBITDA Operating Profit Margin (%)	21.8%	19%	15%	
Net Profit Margin (%)	11.2%	9%	24%	
Return on Net Worth (%)	14.4%	13.7%	5%	

Internal Control Systems and Adequacy

Considering its scale and operational activities, the Company has established and maintains appropriate internal control systems and procedures that encompass all financial and operational aspects. The Company believes that a robust internal control framework is a fundamental element of good corporate governance. It continuously works to improve the system's ability to prevent unauthorised use or losses. The Audit Committee plays a supervisory role over all internal operational matters and provides guidance on necessary corrective measures.

Cautionary Statements

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements in this document due to various risks and uncertainties, including the effects of economic and political conditions in India.

Board's Report

TO THE MEMBERS OF GRANULES INDIA LIMITED,

The Board of Directors presents the Company's thirty-fourth Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2025.

FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2025 is summarised below:

(₹ in million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	30,301.63	37,550.91	44,816.08	45,063.67
Other Income	406.80	57.77	129.19	44.02
Total Income	**30,708.43**	**37,608.68**	**44,945.27**	**45,107.69**
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	6,054.84	8,071.37	9,581.55	8.603.82
Add: Exceptional Items	307.5	-	307.5	-
Less: Finance Costs	627.80	719.98	1,032.38	1,058.21
Less: Depreciation	1,462.30	1,438.48	2,255.01	2,073.32
Profit Before Tax	4,272.24	5,912.91	6,601.66	5,472.29
Less: Tax Expenses	1,078.88	1,553.73	1,586.50	1,419.18
Profit for the year	3,193.36	4,359.18	5,015.16	4,053.10
Dividends paid	363.55	363.06	363.55	363.06

Note: The above figures are extracted from the standalone and consolidated financial statements of the Company.

OVERVIEW OF FINANCIAL AND BUSINESS OPERATIONS:

Standalone Financial Summary: On a standalone basis, the revenue from operations was ₹ 30,301.63 million in FY 2024-25 as against ₹ 37,550.91 million for FY 2023-24 and the net profit after tax was ₹ 3,193.36 million in FY 2024-25 as against ₹ 4,359.18 million for FY 2023-24.

Consolidated Financial Summary: On a consolidated basis, the revenue from operations was ₹ 44,816.08 million in FY 2024-25 as against ₹ 45,063.67 million for FY 2023-24 and the net profit after tax was ₹ 5,015.16 million in FY 2024-25 as against ₹ 4,053.10 million for FY 2023-24.

For more details, please refer to the Management Discussion and Analysis report.

On a standalone basis, the Finished Dosages (FD) business contributed the largest share of revenue of the Company at 65.20% while Pharmaceutical Finished Intermediates (PFI) and Active Pharmaceutical Ingredients (API) contributed 14.68% and 20.12% respectively while it was 56.71%, 17.12% and 26.17% for FD, PFI and API respectively for the FY 2023-24.

In FY 2024-25, the Company on a standalone basis filed seven ANDAs with the USFDA, nine MAA's in the European region and one OTC application in Canada. The Company also filed six US DMFs, which will be used to build future revenue from the API business. The Company received six USFDA approvals and one approval in Canada. The management believes that it will continue to strengthen its position through dedicated research and the launch of new products. The Company launched nine products in the US market.

Vertical integration has always been the strength and focus area of the Company. It will continue its focus on its core business and strengthen it by enhancing its market presence through backward integration strategies, improving operational efficiencies and continuous supply chain management. The non-core business will also be given equal focus and the Company shall endeavour towards adding new products, cost leadership and most importantly offering reliable and consistent services to all the customers. The Company's goal of transforming more of its business into the finished dosage business will continue and with this objective, the Company will continue to grow as an integrated Pharmaceutical Company sustainably and responsibly.

DIVIDEND:

The Board of Directors has recommended a final dividend of ₹1.50 /- per equity share (Face value ₹ 1/- per equity share) for the financial year 2024-25, same as the dividend paid in the previous financial year.

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company may be accessed on the Company's website at https://granulesindia.com/wp-content/uploads/pdf/Dividend-Distribution-policy.pdf.

MATERIAL CHANGES AFFECTING THE COMPANY:

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

SHARE CAPITAL:

The authorized share capital of the Company is 50,50,00,000 equity shares of ₹ 1/- each. The paid-up share capital is 24,25,43,716 equity shares of ₹ 1/- each.

The Company had allotted 1,75,000 equity shares of ₹ 1/- each during the year upon the exercise of an equal number of stock options by the employees pursuant to the Employees Stock Option Scheme(s) of the Company.

TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND (IEPF):

In terms of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, unclaimed dividends amounting to ₹ 10,16,484/- (Ten Lakhs Sixteen Thousand four hundred and eighty four rupees only) pertaining to the final dividend for the financial year 2016-17 and up to the third interim dividend for the financial year 2017-18 was transferred during the year under review to the Investor Education and Protection Fund established by the Central Government. Further, during the year under review, the Company transferred 14,897 equity shares to the Investor Education and Protection Fund relating to the investors who have not claimed any dividend for the last seven consecutive years.

The details of the investors whose dividend amount and shares are transferred are available on the website of the Company at https://granulesindia.com/investors/investor-resources/unclaimed-dividend-shares-transferred-to-iepf/.

Mrs. Chaitanya Tummala, Company Secretary & Compliance Officer is designated as the Nodal Officer under the provisions of IEPF. The contact details can be accessed on the website of the Company at https://granulesindia.com/.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34(2) of the Listing Regulations, is presented in a separate section, forming part of the annual report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

SUBSIDIARY COMPANIES, THEIR PERFORMANCE AND DEVELOPMENTS

Granules USA, Inc.

Granules USA, Inc., a wholly-owned foreign subsidiary of the Company, caters to the business-to-business segment of the US market. During the FY 2023-24, the Company achieved a turnover of ₹ 8,119.36 million for FY 2024-25 against the turnover of ₹ 7,187.96 million for FY 2023-24 and the profit after tax is ₹ (179.25) million against ₹ (188.37) million for FY 2023-24.

Granules Consumer Health, Inc. (GCH) is a wholly-owned subsidiary of Granules USA, Inc. GCH primarily focuses on marketing over-the-counter (OTC) medications to retailers. GCH also operates an USFDA-approved packaging facility in Manassas, Virginia, USA to support its business.

Granules USA, Inc., together with GCH has been merged with Granules Pharmaceuticals, Inc. with effect from April 01, 2025. After the merger, the legal entity of GCH has been converted to an LLC.

Granules Pharmaceuticals, Inc.

Granules Pharmaceuticals, Inc. (GPI), a wholly-owned foreign subsidiary of the Company located in Virginia, USA focuses on formulation R&D. During the FY 2024-25, the Company achieved a turnover of ₹20,740.81 million against the turnover of ₹ 16,203.76 million for FY 2023-24 and the profit after tax is ₹ 1,877.40 million against ₹ 589.89 million for FY 2023-24.

During the year FY 2024-25, GPI filed two ANDAs with USFDA, approvals for which are awaited. During the year under review, GPI launched six products under its label.

Granules Europe Limited

Granules Europe Limited, a wholly-owned foreign subsidiary of the Company was dissolved voluntarily with effect from March 18, 2025 due to a strategic change in the business model of the Company.

Granules Life Sciences Private Limited

Granules Life Sciences Private Limited is a wholly-owned Indian subsidiary of the Company located in Hyderabad, India. This facility has a finished dosage capacity of 10 billion per annum.

Granules CZRO Private Limited

Granules CZRO Private Limited is a wholly-owned Indian subsidiary of the Company established for manufacturing green chemicals. It has successfully commissioned the pilot plant for Dicyandiamide (DCDA) at Visakhapatnam and is developing a first-of-its-kind continuous process for DCDA production.

In addition, the Company is developing alternate technologies for para-aminophenol (PAP) production under continuous process mode to enable decarbonisation of Paracetamol production. Efforts are also underway to adopt green energy and green molecule manufacturing technologies aimed at reducing the overall carbon footprint and achieving net-zero emissions by 2050.

Granules Peptides Private Limited

Granules Peptides Private Limited was incorporated as a wholly-owned Indian subsidiary of the Company in the month of March, 2025 for the acquisition of 100% equity stake in M/s. Senn Chemicals AG, a Switzerland-based Company that specialises in custom peptide development & manufacturing, supporting global clients across the Pharmaceuticals, Cosmetics and Theragnostic industries from early development to commercial production. The acquisition was completed in April 2025.

The Company is in the process of changing its name to M/s. Ascelis Peptides Private Limited.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at https://granulesindia.com/wp-content/uploads/2024/03/Policy-on-Material-Subsidiaries.pdf.

JOINT VENTURE /ASSOCIATE COMPANIES

The Company has no joint venture or associate Company during the period under review.

No other Company except M/s. Granules Peptides Private Limited has become or ceased to be a Company's subsidiary, joint venture or associate Company during the period under review.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies is prepared in Form AOC-1 and it forms part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of the Company and its subsidiaries for FY 2024-25 are prepared in compliance with section 129(3) of the Companies Act, 2013 and regulation 34 of the Listing Regulations and in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the auditor's report thereon form a part of this annual report. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries as approved by their respective Boards. As per the provisions of section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website at https://granulesindia.com/investors/financial-reports/annual-accounts-of-subsidiaries-jvs/ and a copy of separate audited accounts of its subsidiaries will be provided to the members at their request till the date of the Annual General Meeting of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, the Board of Directors of the Company to the best of their knowledge and ability hereby confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures from the same;

b) accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit and loss of the Company for the year ended on that date;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis for the financial year ended March 31, 2025;

e) adequate internal financial controls for the Company to follow have been laid down and these are operating effectively; and

f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

CORPORATE GOVERNANCE:

The Company is committed to maintaining the highest standards of corporate governance and adhering to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on corporate governance as stipulated under the Listing Regulations forms an integral part of this report. The requisite certificate from the secretarial auditor of the Company confirming compliance with the conditions of corporate governance is attached to the report on corporate governance.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

The Business Responsibility & Sustainability Report for the year under review, as stipulated under regulation 34(2) (f) of the Listing Regulations, is presented in a separate section, forming part of the annual report.

RELATED PARTY TRANSACTIONS:

All related party transactions entered by the Company during the financial year 2024-25 with related parties were in the ordinary course of business and are on an arm's length basis. During the year, except for the wholly-owned subsidiaries, the Company had not entered into any transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions.

The Policy on the materiality of related party transactions and dealing with related party transactions as approved by the

Board may be accessed on the Company's website at https://granulesindia.com/wp-content/uploads/2025/02/Granules-Related-Party-Transactions-Policy-Updated-24.01.2025.pdf

The particulars of transactions with related parties referred to in section 188(1) are prepared in 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 and the same is annexed herewith as **Annexure IV** to the Board's report.

The details of the transactions with related parties were also provided in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY:

The Sustainability & Corporate Social Responsibility Committee is comprised of four members out of which two are Independent Directors. The details of the constitution of the Committee and its meetings are provided in the corporate governance report. The CSR activities of the Company are governed through the Corporate Social Responsibility Policy (CSR Policy) approved by the Board and in compliance with Schedule VII of the Act. The CSR Policy may be accessed on the Company's website at https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf

During the year under review, the Company has spent ₹ 118.90 million on CSR activities. The annual report on CSR activities is annexed herewith as **Annexure I** to the Board's report.

NOMINATION AND REMUNERATION COMMITTEE:

During the year under review, the Committee comprised three members and the details of the constitution of the Committee and its meetings are provided in the corporate governance report. The Chairman of the Committee and all other members are Independent Directors, thereby resulting in independent and unbiased decisions.

The Performance Evaluation and Remuneration Policy framed by the Committee and approved by the Board is directed towards rewarding the performance of Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company based on a review of achievements periodically. The Performance Evaluation and Remuneration Policy may be accessed on the Company's website at https://granulesindia.com/wp-content/uploads/2023/06/performance-evaluation-and-remuneration-policy-2023.pdf

ENTERPRISE RISK MANAGEMENT:

The Company has a Risk Management Committee of the Board and the details of the Committee and its terms of reference are set out in the corporate governance report.

The Risk Management Committee has been entrusted with the responsibility to:

(a) oversee and approve the Company's enterprise risk management framework;

(b) oversee all the risks that the organization faces such as financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee;

(c) ensure that appropriate methodology, processes, and systems are in place to monitor, evaluate and mitigate risks associated with the business of the Company.

The Company has a proper process for risk management.

INTERNAL FINANCIAL CONTROLS:

Internal financial controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes. An assurance of the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by external consultants on behalf of the management at least once a year. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

INTERNAL AUDIT AND CONTROLS:

The Company continues to engage M/s. Dhanunjaya & Haranath, Chartered Accountants as its internal auditors. During the year, the Company continued to implement its suggestions and recommendations to improve internal controls. Their scope of work includes a review of the operational efficiency, the effectiveness of systems & processes, compliance and assessing the robustness of the internal control systems in all areas of operations and the financial closure process. Internal auditor's findings are discussed and suitable corrective actions are taken as per the directions of the Audit Committee on an ongoing basis to improve the performance of the Company.

The Company's internal control systems are well established and are commensurate with the nature of its business, the size and complexity of its operations. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Assessment and appointment of members to the Board are based on a combination of the criteria that include ethics, personal and professional stature, domain expertise, gender diversity and specific qualifications required for the position. While appointing the Independent Directors, the potential Board member is also assessed on the basis of the independence criteria defined in Section 149(6) of the Act, and regulation 16(1)(b) of the Listing Regulations.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. K.B. Sankar Rao, (DIN: 05167550) Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board recommends the above re-appointment to the shareholders. The notice convening the 34th Annual General Meeting to be held on August 07, 2025 sets out the details.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act and the Listing Regulations.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during the Board / Committee meetings when executives of the Company are asked to make presentations about the performance of the Company. Apart from this, they also have independent interactions with the statutory auditors, the internal auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted to enable the Independent Directors to discuss matters about the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Key Managerial Personnel

The following have been designated as the key managerial personnel of the Company pursuant to section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Dr. Krishna Prasad Chigurupati - Chairman and Managing Director

Dr. Kandiraju Venkata Sitaram Rao - Joint Managing Director & CEO

Mrs. Uma Devi Chigurupati - Executive Director

Mr. Harsha Chigurupati - Executive Director

Mrs. Priyanka Chigurupati - Executive Director

Mr. Mukesh Surana - Chief Financial Officer

Ms. Chaitanya Tummala - Company Secretary

BOARD EVALUATION:

The Company has devised a policy for the performance evaluation of the Independent Directors, Board, Committees and other individual Directors and also includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for annual evaluation of the performance of the Board, its Committees and individual Directors was carried out.

The performance of the Board and individual Directors was evaluated by the Board after seeking input from all the Directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, the effectiveness of Board processes, contribution to long-term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking input from the Committee Members.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and the performance of the Board as a whole including the Chairman of the Board.

EMPLOYEE STOCK OPTION SCHEME:

The Company's Employees Stock Option Schemes viz. ESOS-2009 & ESOS-2017 have been in place and the Company has made grants under ESOS-2009 & ESOS-2017 to the eligible employees of the Company and its subsidiaries. The Nomination and Remuneration Committee of the Board of Directors of the Company, *inter alia*, administers and monitors the Employees' Stock Option Schemes. The Company did not make any grant under ESOS- 2017 during the FY 2024-25. There has not been any material change in the Employee Stock Option Schemes during the financial year under review. The Schemes and their implementation are in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations") as amended thereof.

The applicable disclosures as stipulated under the SEBI guidelines as of March 31, 2025 (cumulative position) about the Employee's Stock Option Schemes are herein under-provided. The issue of equity shares pursuant to the exercise of options does not affect the Statement of Profit and Loss of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme. There has not been any material change in the Employee Stock Option Schemes during the period under review. The Schemes and their implementation are in line with the SBEB Regulations as amended thereof.

Under regulation 13 of the SBEB Regulations, a certificate from M/s. Saurabh Poddar & Associates, Practicing Company Secretaries is annexed herewith as **Annexure-II** to the Board's report.

The details of the stock options granted/vested/exercised under the Granules India Limited – ESOS 2009 approved by the members in the 18th Annual General Meeting and Granules India Limited –ESOS 2017 approved by the members in the 26th Annual General Meeting, are given below:

Sl. no.	Description	Details of Scheme	
		ESOS-2009	ESOS-2017
(a)	Options granted till date under the scheme	15,602,800	2,50,000
(b)	Pricing formula	Closing market price as on the date before the grant date on the National Stock Exchange (where there was the highest trading volume).	
(c)	Options vested during the year	NIL	NIL
(d)	Options exercised during the year	50,000	1,25,000
(e)	Total number of shares arising as a result of the exercise of options	50,000	1,25,000
(f)	Options lapsed/surrendered during the year	NIL	NIL
(g)	Options lapsed/surrendered to date under the scheme	92,00,272	1,00,000
(h)	Variation in terms of options	NIL	NIL
(i)	Money realized by exercise of options during the year	58,50,000	4,41,25,000
(j)	Total number of options in force	64,02,528	1,25,000
(k)	Employee-wise details of options granted during the year	NA	NIL
(k)(i)	Senior managerial personnel	NA	NIL
(k)(ii)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	NA	NIL
(k)(iii)	Identified employees who were granted an option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NA	NIL
(l)	Diluted Earnings per share (EPS) under the issue of shares on exercise of options calculated by Accounting Standards – Earning per share.	₹ 13.17 per share	
(m)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost shall have been recognised if it had used the fair value of the options.	Not Applicable	
(n)	The weighted-average exercise price, whose exercise price either equals or exceeds or is less than the market price of the stock	₹ 117.00/- per share	₹ 353.00/- per share
(o)	Description of the method and significant assumptions used during the year to estimate the fair values of options.	The assumptions and model used for estimating fair value are disclosed in Note 27 of the Standalone financial statements.	

AUDITORS AND THEIR REPORTS:

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, a Firm of Chartered Accountants, Hyderabad was appointed as the statutory auditors of the Company for a term of 5 (five) consecutive years, at the 31st Annual General Meeting held on July 27, 2022. They have confirmed that they are not disqualified from continuing as auditors of the Company.

The notes on the financial statement referred to in the auditors' report are self-explanatory and do not call for any further comments. The auditors' report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

The Board has appointed M/s. Saurabh Poddar & Associates, Company Secretaries, to conduct a secretarial audit for the financial year 2024-25. The secretarial audit report of the Company and its material unlisted Indian subsidiary for the financial year ended March 31, 2025 is annexed herewith as **Annexure III** to the Board's report. The secretarial audit report does not contain any qualification, reservation or adverse remark.

Subject to the approval of the members, the Board on the recommendations of the Audit Committee, approved the appointment of M/s. Saurabh Poddar & Associates, Company Secretaries (Registration No. S2012AP177700) as the secretarial auditor of the Company for a period of 5 (five) consecutive years from the conclusion of 34th AGM till the conclusion of the 39th AGM. Further, Mr. Saurabh Poddar, Proprietor of M/s. Saurabh Poddar & Associates, Company Secretaries had confirmed that he meets the criteria for appointment specified in regulation 24 (A) of listing regulations, section 203 and all other applicable provisions of the Act. Further, the Company has also received a copy of the Peer Review Certificate issued by the Institute of Company Secretaries of India to the said auditor and a declaration that the firm is not disqualified for the appointment under the Act & listing regulations.

DISCLOSURES:

Meetings of the Board

Six meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance report, which forms part of this report.

Audit Committee

The Audit Committee is comprised of four (4) Members out of which three (3) are Independent Directors and one (1) is an Executive Director. During the year under review, five Committee meetings were held, details of which are provided in the Corporate Governance report. During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

Vigil Mechanism & Whistleblower Policy

The Company has established a mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code. It also provides adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. During the year, no person was denied access to the Audit Committee.

The Vigil Mechanism & Whistleblower policy may be accessed on the Company's website at https://granulesindia.com/wp-content/uploads/2025/02/GIL-Whistle-blower-policy-Jan-2025.pdf

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Joint Managing Director & CEO is published in the Corporate Governance report, which forms part of the annual report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement (Please refer to Note No.4A, 4B, 7C and 26(b) to the standalone financial statement).

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

The particulars relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed herewith as **Annexure V** to the Board's report.

Annual Return

Pursuant to section 92(3) read with section 134(3)(a) of the Act, the Annual Return as of March 31, 2025 is placed on the website of the Company and may be accessed on the Company's website at https://granulesindia.com/investors/notice-disclosures/annual-returns/.

Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed herewith as **Annexure VI** to the Board's report.

In terms of the provisions of section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended thereof, a statement showing the names and other particulars of the employees drawing remuneration over the limits set out in the said rules forms part of this report.

Considering the first proviso to section 136 (1) of the Act, the annual report, excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company or through electronic mode during business hours on working days up to the date of the forthcoming 34th AGM of the Company. Any member interested in obtaining a copy thereof may write to the Company Secretary in this regard.

The Directors further state that the remuneration paid to the Key Managerial Personnel and Senior Management Personnel is as per the Company's Performance Evaluation and Remuneration Policy.

Remuneration from Subsidiaries

Mrs. Priyanka Chigurupati has received a consideration for settlement of employee stock option of ₹ 57.04 million from Granules Pharmaceuticals, Inc., a wholly-owned foreign subsidiary of the Company in the Financial year ended on March 31, 2025.

Maintenance of Cost Records specified by the Central Government under Section 148 of the Companies Act, 2013

The Company has complied with the provisions relating to the maintenance of Cost Records as specified by the Central Government under section 148 of the Companies Act, 2013 during the year under review.

Policy on Sexual Harassment and Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" for the matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" and constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints were pending at the beginning of the year. During the year under review, one concern/complaint was reported and resolved. No complaint was pending for more than ninety days and as of the end of the financial year.

The Company regularly conducts awareness programs for the employees.

GENERAL

No disclosure or reporting is required in respect of the following matters, as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except the Employee Stock Option Scheme referred to in this report.
- The Company does not have any scheme of provision of money for the purchase of its shares by employees or by trustees for the benefit of employees.
- Cost Audit is not applicable for the financial year 2024-25.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future.
- No fraud has been reported by the auditors to the Audit Committee or the Board.
- There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of a one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS:

We express our sincere appreciation and thank our valued shareholders, customers, bankers, business partners/ associates, analysts, financial institutions, insurance companies and Central and State government departments for their continued support towards the Company.

We are pleased to record our appreciation of the sincere and dedicated services of the employees and workforce at all levels.

On behalf of the Board of Directors

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director

Hyderabad, May 28, 2025 DIN: 00020180

ANNEXURE I TO BOARD'S REPORT: CSR REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2024-25 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. **Brief outline of CSR Policy of the Company:** CSR Policy can be accessed at https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of the CSR Committee held during the year	Number of meetings of the CSR Committee attended during the year
1.	Mrs. Uma Devi Chigurupati	Chairperson/Executive Director	01	01
2.	Dr. Krishna Prasad Chigurupati	Member/Executive Director	01	01
3.	Mr. Rajiv Pritidas Kakodkar	Member/Independent Director	01	01
4.	Mrs. Sucharita Rao Palepu	Member/Independent Director	01	01

3. Provide the web link where the

a). Composition of the CSR Committee	a). The composition of the Sustainability & CSR Committee can be accessed at https://granulesindia.com/investors/other-information/
b). CSR Policy and	b). The CSR Policy can be accessed at https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf
c). CSR Projects approved by the Board are disclosed on the website of the Company.	c). NOT APPLICABLE

4. Provide the executive summary along with the web link(s) of the Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable — NOT APPLICABLE

5. (a) Average net profit of the company as per section 135(5): **₹ 5944.54 million**

   (b) Two percent of the average net profit of the company as per section 135 (5): **₹ 118.90 million**

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **₹ 0.22 million**

   (d) Amount required to be set off for the financial year: **₹ 0.22 million**

   (e) Total CSR obligation for the financial year (5b+5c-5d): **₹ 118.68 million**

6. (a) Details of CSR amount spent against ongoing projects for the financial year: N.A.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	The 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 - By implementing the Agency	
				State.	District.					Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-	-	-

6 (a) 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 on the project (₹ in millions)	Mode of implementation on-Direct (Yes/NO)	Mode of implementation – Through the implementing agency	
				State	District			Name	CSR registration number
1.	Skill development activity	Cl.(ii) livelihood enhancement projects	Yes	Telangana	Ranga Reddy District	13.31	NO	Swarna Bharat Trust	CSR00001645
2	Promoting Health Care	Cl.(i) Promoting preventive healthcare	Yes	Telangana	Hyderabad	3.29	NO	The Akshaya Patra Foundation	CSR00000286
3.	Granules Trust	Schedule VII activities	Yes	Telangana	Hyderabad	102.30	NO	Granules Trust	CSR00006834
TOTAL						118.90			

(b) Amount spent on Administrative Overheads: **NIL**

(c) Amount spent on Impact Assessment, if applicable: **NA**

(d) Total amount spent for the Financial Year (6b+6c+6d): **₹ 118.90 million**

(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 the second proviso to section 135(5)		
	Amount	Date of transfer	Fund	Amount	Date of transfer
₹ 118.90 million	Nil	NA	NA	NA	NA

(f) Excess amount for set-off, if any

Sl. No.	Particular	Amount (₹ in millions)
(i)	Two percent of the average net profit of the company as per section 135(5)	118.90
(ii)	Total amount spent for the Financial Year 2024-25	118.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0.22
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	0.22

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in millions)	Amount spent in the reporting Financial Year (₹ in millions)	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any.			The amount remaining to be spent in the succeeding financial years. (₹ in millions)
				Name of the Fund	Amount (₹ in millions)	Date of transfer.	
1.	2021-22	-	-	-	-	-	-
2.	2022-23	-	-	-	-	-	-
3.	2023-24	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No

If yes, enter the number of capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the financial year:

Sl. No.	Short Particulars of the property or asset(s)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, If applicable	Name	Registered Address
			NA				

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): N.A.

Sd/-

Uma Devi Chigurupati
Chairperson of the Sustainability & CSR Committee

Sd/-

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director

ANNEXURE-II TO BOARD'S REPORT

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share-Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
Granules India Limited

I Saurabh Poddar, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at the meeting held on May 15, 2024 by the Board of Directors of M/s. Granules India Limited (hereinafter referred to as 'the Company), having CIN: L24110TG1991PLC012471 and having its registered office at 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India.

This certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as **"the Regulations'**), for the year ended March 31, 2025.

Management Responsibility:

1. The Board of Directors and the Nomination and Remuneration Committee of the Board is responsible for the formulation and implementation of the Employee Stock Option Scheme – 2009 and Employee Stock Option Scheme – 2017 (hereinafter referred to as "Schemes") in compliance with the Regulations and the special resolutions passed at the respective shareholder's meetings dated 25 September 2009 and 28 September 2017 ("Shareholder resolutions") respectively.

2. The management is responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents relating to the Scheme including the design, implementation and maintenance of internal controls on the implementation of the aforesaid Schemes in compliance with the Regulations.

Auditors' Responsibility:-

1. Pursuant to the requirements of the Regulations, it is my responsibility to obtain reasonable assurance and form an opinion as to whether the Scheme is in compliance with the Regulations and the Shareholder resolutions.

2. In connection with the above, I have performed the following procedures:

   a. Read the Schemes provided to us by the Company;

   b. Read the resolutions passed at the meeting of the Board of Directors;

   c. Read the shareholder's resolutions passed at the general meetings and;

   d Obtained required explanations and representations from the management.

3. I have conducted the examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Company Secretaries of India. The Guidance Note requires that I comply with the ethical requirements of the Code of Ethics issued by the Institute of Company Secretaries of India.

Certification:

On the basis of the examination carried out and the information, explanations and representations provided by the management of the Company, in my opinion, the Schemes are implemented in accordance with the Regulations.

Assumptions & Limitations of Scope and Review:

1 Ensuring the authenticity of documents and information furnished is the responsibility of the management of the Company.

2. My responsibility is to give a certificate based on the examination of relevant documents and information. It is neither an audit nor an investigation.

3. 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.

4. This certificate is solely for the information and is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **M/s. Saurabh Poddar & Associates**
Company Secretaries
FIRM UIN: S2012AP177700

Name: Saurabh Poddar
Designation : Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000280362

Place: Hyderabad
Date: May 06, 2025

ANNEXURE III TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2025
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. Granules India Limited

I have conducted the secretarial audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by M/s. Granules India Limited (hereinafter called the Company). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. Granules India Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025 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:

I, have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)

   (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021.;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

   (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 the client(s);

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit Period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)

(vi) I 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 a test-check basis, the company has complied with the following laws applicable specifically to the Company:

   1. Drugs and Cosmetics Act, 1940 and Rules made thereunder; and

I 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.

(ii) The 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.

I further report that the Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review,

is in compliance with the provisions of the Act read with regulation 25(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines and standards.

for **Saurabh Poddar& Associates**
Company Secretaries

(Saurabh Poddar)
Designation : Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000479726

Place: Hyderabad
Date: 28/05/2025

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
M/s. Granules India Limited

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained management representation regarding the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on a test-check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Saurabh Poddar& Associates**
Company Secretaries

(Saurabh Poddar)
Designation : Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000479726

Place: Hyderabad
Date: 28/05/2025

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2025
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. Granules Life Sciences Private Limited

I have conducted the secretarial audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by M/s. Granules Life Sciences Private Limited (hereinafter called the Company). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. Granules Life Sciences Private Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment.

I have also examined compliance by the Company with the applicable clauses of the Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India that are mandatorily applicable to the Company.

During the period under audit, the Company has complied with the provisions of the Act, Rules, Regulations, Standards, etc. mentioned above.

i. During the period under audit, provisions of the following Acts, Rules and Regulations of the Securities and Exchange Board of India Act, 1992 were not applicable to the Company:

   a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with clients;

   b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *

   e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   g) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

*The Company being a material subsidiary of Granules India Limited as defined in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, certain employees of the Company have been categorised as "Designated Persons" and are covered under Code of Conduct framed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

ii. The Company has not entered into any listing agreements with the stock exchanges.

I further report that -

The Board of Directors of the Company is duly constituted with a proper balance of Executive, Non-Executive and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under audit.

Adequate notices were given to all directors of the Company as regards the schedule of the Meetings of the Board (including Meetings of its Committees), except where consent of the directors was received for scheduling a meeting at a shorter notice.

Agenda and detailed notes on the agenda were also sent to all the directors of the Company at least seven days in advance, except where consent of directors was received for circulation of the Agenda and notes on the Agenda at a shorter notice. A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for ensuring meaningful participation by the directors at the meetings.

All decisions at the Meetings of the Board and its Committees were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

I further report that during the period under audit, no specific events/ actions which have a major bearing on the Company's affairs have taken place, in pursuance of the above-referred laws, rules, regulations and standards.

for **Saurabh Poddar& Associates**

Company Secretaries

(Saurabh Poddar)

Designation : Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000479737

Place: Hyderabad
Date: 28/05/2025

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
M/s. Granules Life Sciences Private Limited

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained management representation regarding the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on a test-check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Saurabh Poddar& Associates**

Company Secretaries

(Saurabh Poddar)

Designation : Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000479737

Place: Hyderabad
Date: 28/05/2025

ANNEXURE-IV TO THE BOARD'S REPORT

Disclosure of particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2 (Under clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

1. There are no contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 which are not on an arm's length basis.
2. Contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 which are at arm's length basis:

Sl. No.	Names of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts or arrangements or transactions including the value, if any:	Salient terms of the contracts or arrangements or transactions including the value, if any: (₹ in Millon)	Date(s) of approval by the Board/:	Amount paid as advances if any:	Justification for entering into contracts
1.	Granules USA, Inc. (Wholly Owned foreign subsidiary)	Sale of goods	FY 2024-25	1,999.54	March 29, 2024	NIL	The transaction is at arm's length price
2.	Granules Pharmaceuticals, Inc. (Wholly Owned foreign subsidiary)	Sale of goods Purchase of Goods	FY 2024-25	8,000.81 327.96	March 29, 2024	NIL	The transaction is at arm's length price
3.	Granules Europe Limited (Wholly Owned foreign subsidiary)	Commission on sales of goods	FY 2024-25	11.46	March 29, 2024	NIL	The transaction is at arm's length price
4.	Granules USA, Inc. (Wholly Owned foreign subsidiary)	Commission on sales of goods	FY 2024-25	93.96	March 29, 2024	NIL	The transaction is at arm's length price
5.	Granules Consumer Health, Inc. (GCH), (a Step-down foreign subsidiary)	Sale of goods	FY 2024-25	3,879.12	March 29, 2024	NIL	The transaction is at arm's length price
6.	Product Armor Packaging Private Limited	Purchase of Goods	FY 2024-25	359.83	March 29, 2024	NIL	The transaction is at arm's length price
7.	Granules Life Sciences Private Limited (Wholly Owned Indian subsidiary)	Sale of Goods	FY 2024-25	222.31	March 29, 2024	NIL	The transaction is at arm's length price
8.	Granules Life Sciences Private Limited (Wholly Owned Indian Subsidiary)	Sale of Assets	FY2024-25	48.12	March 29,2024	NIL	The transaction is at arm's length price.
9.	Granules CZRO Private Limited (Wholly Owned Indian subsidiary)	Purchase of Goods	FY 2024-25	0.10	March 29, 2024	NIL	The transaction is at arm's length price
10.	Chigurupati Family Trust	Leasing of Property	FY 2024-25	20.45	March 29,2024	NIL	The transaction is at arm's length price

On behalf of the Board of Directors

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, May 28, 2025

ANNEXURE V TO THE BOARD'S REPORT

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

PARTICULARS OF CONSERVATION OF ENERGY

During the financial year 2024-25, the Company has undertaken a range of targeted initiatives across its manufacturing locations to enhance energy efficiency and reduce greenhouse gas (GHG) emissions. These efforts led to a total energy savings of approximately 998,494 kWh and a GHG reduction of 1,250.06 tons of CO_2, along with financial savings of approximately H8 million across all units.

At the Gagillapur facility, the installation of a 667 kWp rooftop solar plant contributed significantly to emissions reduction, offsetting 524.89 tons of CO_2, while additional measures such as the installation of online tube cleaning systems for chillers and the replacement of electric heaters with hot water coils led to combined savings of over 345,000 kWh and nearly 251 tons of CO_2.

At Unit-1 situated at Bonthapally, the adoption of Variable Frequency Drives (VFDs) to optimise pump operations resulted in a remarkable 457,920 kWh of energy savings and 332.91 tons of CO_2 reduction. The Unit-2 situated at Jeedimetla implemented remote monitoring and control systems such as Auto Power Factor Control (APFC) panels and air dryer optimization, yielding 189,400 kWh in savings and over 137 tons of CO_2 reduction.

Additionally, energy audit-based process improvements like jacket and RT line enhancements contributed a further 5,832 kWh and 4.24 tons of CO_2 savings.

Beyond energy efficiency, the Company has significantly ramped up its use of renewable electricity. At the Gagillapur unit alone, 6,081 MWh of renewable electricity was procured through Power Purchase Agreements (PPAs), resulting in the avoidance of 4,420 tCO_2e emissions. Additionally, the Company procured 50,000 MWh of Renewable Energy Certificates (RECs) for its Gagillapur, Bonthapally, and Jeedimetla units, offsetting 36,350 tCO_2e of GHG emissions. As a result, the renewable electricity share reached 93.7% at Gagillapur, 92.3% at Bonthapally, and 90.8% at Jeedimetla units.

At the organisational level, 68.7% of the total electricity consumed is from renewable sources, while the overall share of energy from renewable sources, including biofuels used in boiler operations, stands at 24.2%. The overall avoided GHG emissions are 42,020 tons CO_2e.

These initiatives underscore the Company's commitment to sustainability through operational excellence, renewable energy adoption, and continuous improvement in energy use, all aligned with its long-term Net Zero ambitions and science-based targets.

PARTICULARS OF ABSORPTION

TECHNOLOGY ABSORPTION

1.	Efforts made toward technology absorption	The R&D Division at Granules is continuously engaged in developing technology-based products and process improvement for the existing products as part of Continuous Quality Improvement (CQ-IP). This technology absorption starts from the pilot level and is scaled up until the commercial level with a focus on innovation, cost-efficient processes, operational efficiency mapping and integrated manufacturing.
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	a) Through continuous process improvement, products were ensured to meet the quality requirements for Genotoxic limits as specified by global regulatory bodies. b) Import substitutions through strategic sourcing within India to enable cost efficiency and continuous supply and to avoid supply disruptions. c) Structured programs were enabled for cost improvement of the current products and to overcome the challenge of price erosion.
3.	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) a) Details of technology imported b) Year of import c) Whether the technology has been fully absorbed d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore	No imported technology

Expenditure Incurred in R&D:

(₹ in million)

	FY2024-25	FY2023-24
Capital	96.24	90.67
Recurring	1,724.61	1,328.44
Total	**1,820.85**	**1,419.11**

Updates on the Research & Development activities of the Company are provided below:

From being known as a leading supplier of APIs and PFI's in bulk, we moved on to become a leading manufacturer of finished dosage forms. Over the years, we have been constantly investing in Research and Development, where our team has been able to passionately translate science and technology into pharmaceutical products and manufacturing processes, meeting global regulatory standards. With experienced and qualified human resources, our R&D capability is the driving force of the current momentum and future growth of the organization. With innovation instilled into the culture of the company at various levels, R&D is a crucial attribute in fostering our vision to become a global leader in the pharmaceutical product development and manufacturing process.

We are augmenting our research capabilities and expanding our product portfolio to address the prospective demand across global markets. From a commercial perspective, our strategic product, process, and market approaches give us a competitive advantage which will enable us to be an integrated player offering both drug substance and the drug product.

2024- 25 – Highlights

In the API division, we filed a total of 41 (5 in FY 24-25) U.S. Drug Master Files ("USDMFs") across several therapeutic categories with the United States Food and Drug Administration ("U.S. FDA") in the United States, 22 (Certificates of Suitability ("CEPs") with the European Directorate for the Quality of Medicines ("EDQM") and 11 (6 in FY 24-25) European Drug Master Files ("EDMFs") in Europe, 14 (5 in FY 24-25) Korean Drug Master files, 7 (1 in FY 24-25) China Master Files, 4 Associated CADIFA Files in Brazil along with other regulatory filings in key regulated markets to support potential customers for ANDA and dossier filings.

- As part of our vertical integration strategy, we intend to file ANDAs for several of these APIs to forward integrate into FDFs.
- As part of our control substances expansion, we have developed 4 APIs towards vertical integration to FD. The products are developed in our controlled substances lab and validated in unit V. In addition to these we have developed one more control substance API, where we have manufactured the API up to the penultimate stage in our API unit Vizag, followed by the final stage conversion at our CDMO partner at USA.
- As part of the Green initiative, the Bio-catalysis group is actively working on enzymatic processes for APIs and chiral intermediates.
- A fermentation group is created for the development of Peptides and the development of enzymes for Biocatalysis.
- One of the products we have developed using an in-house enzyme has been successfully scaled up and validated. Development, manufacture and immobilisation are done in-house for the specific enzyme.
- To strengthen our capabilities in crystal morphology studies, we have collaborated with premier institutes like the Indian Institute of Chemical Technology, Hyderabad (IICT) & Indian Institute of Technology (IIT), Hyderabad. This is towards the development of novel polymorphs and improves the powder properties of existing products.
- Granules India and the National Institute of Pharmaceutical Education and Research (NIPER) in Mohali, Chandigarh, signed a Memorandum of Understanding (MoU), to establish Dr Chigurupati Centre of Excellence in Innovative and Sustainable Pharmaceutical Development (CCE-ISPD).
- This initiative aims to bring sustainability and innovation to the core of pharma research and development. The centre will focus on crucial areas such as exploring plant-based excipients, advancements in polymer-free pharma formulations, innovative methods in producing directly compressible crystals, promotion of solvent-free pharma processes, and the development of resource-efficient and energy-efficient pharma products.
- The Chigurupati Centre of Excellence in Innovative and Sustainable Pharmaceutical Development at NIPER SAS Nagar Mohali embodies the collective determination to confront climate change within the pharmaceutical industry. Through collaboration, innovation, and unwavering commitment, this initiative heralds a new era of sustainability, where healing and environmental stewardship go hand in hand. Together, we forge a path towards a healthier, more sustainable world.
- Towards the Journey to build Granules intellectual property assets, we have filed one hundred and nineteen (119) patent applications in total and currently hold ten granted patents. During the year under review, we have filed a total of twenty-five patent applications, which include India: 12, International (PCT): 03, USA: 03 and Other Countries: 07.

In the finished dosage form division, we filed 85 (7 in FY 24-25) ANDAs with the U.S. FDA, of which 68 ANDAs have been approved and 17 are under review. We continued to leverage our ANDA filing into other markets outside the US. In the European region, we filed 20 applications (9 in FY 24-25) of which 10 are approved and 10 are under review. In Canada, we filed 7 applications and all were approved. A total of 18 applications (3 in FY 24-25) were filed in other markets (South Africa, Belarus, Israel, Saudi, Hong Kong, Australia and India) of which 8 were approved and 10 are under review.

Granules received 6 ANDA approvals from the USFDA in the financial year (2024-2025). These on-time ap provals exemplify the quality of our ANDA filings. We also received 01 application in Canada.

Way Forward

We will continue to leverage our knowledge and experience in our core products to expand them into new markets and dosage forms. This would not only help us to bring economies of scale but also, mitigate market-concentrated risk. Steps have been taken in this direction during this financial year, and as an outcome, we filed three dossiers in the European market and working to file additional markets in the coming year.

We will continue to identify and develop complex products with limited competition and bring process efficiencies for our existing products to have a competitive advantage in the market. Looking forward to bringing considerable progress in our technical capabilities to achieve a higher number of regulatory filings. Thus, bringing focus on our R&D activities will enhance our product registrations and filings across a diversified product portfolio for the key markets, as well as strengthen our global presence.

C – TOTAL FOREIGN EXCHANGE EARNED AND USED

(₹ in million)

Particulars	FY 2024-25	FY 2023-24
Foreign Exchange Earnings	28,144.26	35,545.21
Foreign Exchange Outgo	8,068.51	10,083.56

ANNEXURE VI TO BOARD'S REPORT

Information in terms of 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 and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP) for the financial year 2024-25:

Sl. No.	Name of the Director/KMP	Designation	% increase in remuneration in the FY 2024-25	Ratio of remuneration of each Director / KMP to the median remuneration of employees
1	Dr. Krishna Prasad Chigurupati	Chairman & Managing Director	(25.14)	473.68
2	Dr. Kandiraju Venkata Sitaram Rao	Joint Managing Director & CEO	(3.13)	187.04
3	Mrs. Uma Devi Chigurupati	Executive Director	(25.15)	47.36
4	Mr. Harsha Chigurupati	Executive Director	(25.15)	47.36
5	Ms. Priyanka Chigurupati(1)	Executive Director	-	47.36
6	Mr. K. B. Sankar Rao	Non-Executive, Non-Independent Director	(24.10)	5.82
7	Mr. Arun Sawhney	Non-Executive, Independent Director	(25.07)	6.24
8	Dr. Saumen Chakraborty	Non-Executive, Independent Director	(22.25)	5.76
9	Mrs. Sucharita Rao Palepu	Non-Executive, Independent Director	(21.52)	5.28
10	Mr. Kapil Kumar Mehan(1)	Non-Executive, Independent Director	-	5.76
11	Dr. Sethurathnam Ravi(1)	Non-Executive, Independent Director	-	5.56
12	Mr. Rajiv Pritidas Kakodkar(1)	Non-Executive, Independent Director	-	5.68
13	Mr. Mukesh Surana	Chief Financial Officer	16.07	70.34
14	Ms. Chaitanya Tummala	Company Secretary	16.38	10.94

(1) The remuneration paid in FY 2024-25 is not comparable with the previous year.

(2) Non-Executive Directors were paid a commission on profits and sitting fees for attending the Board and Committee Meetings of the Company.

ii). The median remuneration of employee was increased by 7 % in the financial year 2024-25.

iii). The number of permanent employees on the rolls of the Company as of March 31, 2025, is 4,141.

iv). The average percentage increase in the salaries of employees other than managerial personnel for the financial year 2024-25 was 7.4 % as compared to the financial year 2023-24. There was a decrease of 13.54 % in the total remuneration of Executive Directors and KMP for the financial year 2024-25.

v). It is hereby confirmed that the remuneration to the Directors and KMP for the financial year 2024-25 is as per the performance evaluation and remuneration policy of the Company.

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, May 28, 2025

Corporate Governance Report

In accordance with regulation 34 (3) read with Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the report contains the details of Corporate Governance systems and processes at Granules India Limited (Granules or the Company).

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are managed to ensure accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meeting the aspirations of all our stakeholders.

The essence of Corporate Governance lies in promoting and maintaining the integrity, transparency and accountability of the management. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations of managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the inter-relationship among the Board of Directors, Board Committees, Auditors, and the Senior Management Personnel. Granules adheres to the prescribed Corporate Governance practices as per the Listing Regulations and is committed to sound Corporate Governance principles and practices.

The Company also believes that an active, well-informed and independent Board is necessary to ensure the highest standard of corporate governance. At Granules, the Board of Directors is at the core of corporate governance and oversees how the management serves and protects the interests of the stakeholders. The Board of Granules is responsible for and committed to the sound principles of corporate governance in the Company. Our corporate governance framework ensures that we make timely and transparent disclosures regarding our financials and performance, as well as the leadership and governance of the Company. The Company acknowledges the individual and collective responsibility to manage the business activities with integrity.

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent in the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established six Committees to discharge its responsibilities effectively and efficiently. The Company Secretary at Granules acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Chairman and Managing Director (CMD) provide overall direction and guidance to the Board. Concurrently, the CMD is responsible for the overall implementation of decisions and policies. In the operations and functioning of the Company, the CMD is assisted by the Joint Managing Director & CEO, Executive Directors and a core group of senior-level executives.

Board Leadership

During the year, the Board consists of twelve Directors, comprising (i) Five Executive Directors, including the Chairman of the Board (ii) One Non-Executive Director and (iii) Six Independent Directors. At Granules, it is believed that an experienced Board consciously creates a culture of leadership that provides a long-term vision and policy approach to improve the quality of governance.

The Board's actions and decisions are aligned with the Company's best interests. Granules is committed to sustainable development goals and elevating the Company's value creation.

The Board critically evaluates the Company's strategic direction, management policies and effectiveness. The agenda for the Board review included a detailed analysis of annual strategic and operating plans, capital allocation and budgets. Additionally, the Board reviews related party transactions, possible risks and risk mitigation measures and financial reports. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

Ethics/Governance Policies

At Granules, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards and ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Granules has adopted various codes and policies to carry out our duties in an ethical manner. Some of the codes and policies are:

- Code of Conduct for Board and Senior Management Personnel
- Code of Conduct for Prohibition of Insider Trading
- Code of Practices and Procedures for Fair Disclosure
- Code of Business Conduct
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Performance Evaluation and Remuneration Policy
- Policy on Material Subsidiaries
- Related Party Transactions Policy
- Risk Management Policy
- Vigil Mechanism & Whistle Blower Policy

THE BOARD OF DIRECTORS

Board Composition and Category of Directors

The Board of Directors of the Company represents the optimum blend of professionalism, knowledge and experience. As of March 31, 2025, the Board of Directors comprised twelve Directors, of which seven are Non-executive Directors and the composition of the Board and category of Directors are as follows:

Sl. No	NAME OF THE DIRECTOR	CATEGORY
1.	Dr. Krishna Prasad Chigurupati* Chairman & Managing Director DIN – 00020180	Non-Independent, Executive
2.	Dr. Kandiraju Venkata Sitaram Rao Joint Managing Director & CEO DIN-08874100	Non-Independent, Executive
3.	Mrs. Uma Devi Chigurupati* DIN – 00737689	Non-Independent, Executive
4.	Mr. Harsha Chigurupati* DIN – 01606477	Non-Independent, Executive
5.	Mrs. Priyanka Chigurupati* DIN-01793431	Non-Independent, Executive
6.	Mr. Kolli Basava Sankar Rao DIN – 05167550	Non-Independent, Non-Executive
7.	Mr. Arun Sawhney DIN – 01929668	Independent, Non-Executive
8.	Dr. Saumen Chakraborty DIN-06471520	Independent, Non-Executive
9.	Mrs. Sucharita Rao Palepu DIN – 078077178	Independent, Non-Executive
10.	Mr. Kapil Kumar Mehan DIN-01215092	Independent, Non-Executive
11.	Dr. Sethurathnam Ravi DIN-00009790	Independent, Non-Executive
12.	Mr. Rajiv Pritidas Kakodkar DIN-01519590	Independent, Non-Executive

*Promoter Director

Mrs. Uma Devi Chigurupati is the spouse of Dr. Krishna Prasad Chigurupati. Mr. Harsha Chigurupati and Mrs. Priyanka Chigurupati are the son & daughter of Dr. Krishna Prasad Chigurupati & Mrs. Uma Devi Chigurupati. None of the other Directors is related to any other Director on the Board.

During the financial year 2024-25, the Company had the Managing Director as Chairman who is also the promoter of the Company and the number of Independent Directors during the year complied with the requirement of having one-half of the Board as Independent Directors. None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees as specified in regulation 26(1) of the Listing Regulations, across all the Companies in which he/she is a Director.

Directors' Profile

You can read the detailed profile of the Board of Directors in a separate section of this annual report or at https://granulesindia.com/about-us/our-leadership/.

Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an Independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other Companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes an appropriate decision.

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149 (6) of the Act read with regulation 16 (1) (b) of the Listing Regulations. In terms of regulation 25 (8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management.

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended March 31, 2025.

Mr. Arun Sawhney was the Lead Independent Director during the financial year 2024-25.

Meetings of Independent Directors

The Company's Independent Directors met twice during the financial year 2024-25 without the presence of Executive Directors and other members of the management. During these meetings, the Independent Directors reviewed the performance of the Company and its Non-Independent Directors, that of the Chairman & Managing Director and the Board along with the quality of the information given to the Board. It also enabled the Independent Directors to discuss matters about the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present the Independent Directors' views to the Chairman and Managing Director.

MEETINGS OF THE BOARD AND ITS COMMITTEES AND PROCEDURES

Institutionalised decision-making process

The Board of Directors is the apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and effectiveness and ensures that shareholders' long-term interests are being served.

The Board has constituted six Committees, namely Audit Committee, Nomination and Remuneration Committee,

Share Transfer and Stakeholders Relationship Committee, Sustainability & Corporate Social Responsibility Committee, Risk Management Committee and Business Review Committee. The Board is authorised to form additional functional Committees, from time to time, depending on business needs and the framework of the law for the time being in force.

Scheduling and Selection of Agenda Items for Board and Committee Meetings

A minimum of four pre-scheduled Board meetings are held annually, once in each quarter, inter-alia to review the financial results of the Company. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed through circulation.

The Board / Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and ensure meaningful participation in the meetings.

The schedule of meetings and their agenda is finalized in consultation with the Chairman of the Board, Chairpersons of the Committees of the Board and the Lead Independent Director and agendas are circulated in advance with detailed notes and appropriate presentations covering finance, marketing, operations, research & developments, an overview of business operations of the subsidiary Companies, global business environment, the Company's business opportunities and strategy and risk management practices.

The meetings are generally held at the registered office of the Company and sometimes the meetings are also held at the facilities of the Company.

The agenda and notes on the agenda are circulated to Directors in advance in the defined agenda format. All material information is incorporated into the agenda to facilitate meaningful and focused discussion at the meetings. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The items/matters required to be placed before the Board, inter alia, include:

- Annual operating plans of businesses and budgets, including capital budgets and any updates;
- Quarterly results of the Company;
- Company's annual financial results, financial statements, auditors' report and Board's report;
- Minutes of meetings of the Audit Committee and other Committees of the Board;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Quarterly details of foreign exchange exposures and steps that were taken by management to limit risks of adverse exchange rate movement, if material;
- Non-compliance with any regulatory, statutory or listing requirements and shareholder's service;
- Appointment, remuneration and resignation of Directors;
- Formation/reconstitution of Board Committees;
- Terms of reference of Board Committees;
- Minutes of Board meetings of unlisted subsidiary Companies;
- Declaration of Independent Directors at the time of appointment/annually;
- Disclosure of Directors' interest and their shareholding;
- Appointment or removal of the Key Managerial Personnel;
- Recommending appointment of and fixing the remuneration of the Auditors as recommended by the Audit Committee;
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors;
- Dividend declaration;
- Significant changes in accounting policies and internal controls;
- Takeover of a Company or acquisition of a controlling or substantial stake in another Company;
- Issue & Buyback of securities, consolidation/sub-division of securities etc.;
- Internal Audit findings and Statutory Audit Reports (through the Audit Committee);
- Proposals for major investments, mergers and amalgamations;
- Reports on progress made on the ongoing projects;
- Review the functioning of the subsidiary Companies;
- Related party transactions;
- Status of business risk exposures, their management and related action plans;
- Making of loans and investment of surplus funds;
- Borrowing of monies, giving guarantees, or providing security in respect of a loan;
- Brief on statutory developments and changes in government policies, among others with the impact thereof;
- Details of litigations, prosecutions, etc.;
- Compliance Certificate certifying compliance with all laws as applicable to the Company and
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.

Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records the minutes of proceedings of each Board and Committee meeting. The draft minutes are circulated to the Board / Committee members for their comments thereon as prescribed under Secretarial Standard-1. The minutes are entered in the minutes book within 30 days from the conclusion of the meeting.

Post-Meeting Follow-up Mechanism

Important decisions taken and suggestions made by the Board and its Committees are promptly communicated to the relevant functional departments. Action taken/ status reports on decisions/ suggestions of the previous meeting(s) are followed up and placed at the succeeding meetings for information and further recommended actions, if any.

Compliance

The Company Secretary, while preparing the agenda, notes to the agenda and minutes of the meeting(s) is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

Statutory Compliance Monitoring Tool

The Company has in place a web-based Statutory Compliance Monitoring Tool, which has been implemented to streamline and manage compliance tracking of all the statutory & legal compliances needed to be followed by the Company and provides the necessary assurance to the Board.

Number of Board meetings

Six (6) Board meetings were held during the year, as against the minimum requirement of four meetings. The details of the Board meetings held are given below:

Date	Board Strength	No. of Directors Present
May 15, 2024	12	12
July 30, 2024	12	12
November 06, 2024	12	12
January 24, 2025	12	12
February 21, 2025	12	11
March 25, 2025	12	12

Attendance and Directorship & Committee positions in other Companies:

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year April 2024 – March 2025 and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies are given below.

Name	Category	Attendance at meetings During the FY 2024-25		Number of Directorships in Other Public Companies (1)	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies as on 31-03-2025 (2)
		Board	AGM		
Dr. Krishna Prasad Chigurupati Chairman & Managing Director DIN – 00020180	Non-Independent, Executive	6	Yes	NIL	NIL
Dr. Kandiraju Venkata Sitaram Rao DIN-08874100	Non-Independent, Executive	6	Yes	NIL	NIL
Mrs. Uma Devi Chigurupati DIN – 00737689	Non-Independent, Executive	6	Yes	NIL	NIL
Mr. Harsha Chigurupati DIN – 01606477	Non-Independent, Executive	6	Yes	NIL	NIL
Mrs. Priyanka Chigurupati DIN-01793431	Non-Independent, Executive	6	Yes	NIL	NIL
Mr. Kolli Basava Sankar Rao DIN – 05167550	Non-Independent, Non-Executive	6	Yes	NIL	NIL
Mr. Arun Sawhney DIN – 01929668	Independent, Non-Executive	6	Yes	NIL	NIL
Dr. Saumen Chakraborty DIN-06471529	Independent, Non-Executive	6	Yes	1 (One)	1 (1 as Chairman)
Mrs. Sucharita Rao Palepu DIN- 07807717	Independent, Non-Executive	5	Yes	1 (One)	NIL
Mr. Kapil Kumar Mehan DIN-01215092	Independent, Non-Executive	6	Yes	1(One)	NIL

Name	Category	Attendance at meetings During the FY 2024-25		Number of Directorships in Other Public Companies	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies as on 31-03-2025
		Board	AGM	(1)	(2)
Dr. Sethurathnam Ravi DIN-00009790	Independent, Non-Executive	6	Yes	8 (Eight)	10 (5 as Chairman)
Mr. Rajiv Pritidas Kakodkar DIN-01519590	Independent, Non-Executive	6	Yes	NIL	NIL

(1) The directorships held by Directors as mentioned above, do not include directorships in foreign Companies, Private Limited & Section 8 Companies formed under the Companies Act, 2013.

(2) In accordance with regulation 26(1) of the Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited Companies (excluding Granules India Limited) have been considered.

(3) None of the Directors holds Directorships in more than 7 (Seven) listed entities.

Name of the Listed Companies wherein the Directors of the Company are Directors:

Sl. No	Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies and category of Directorship
1.	Dr. Krishna Prasad Chigurupati	Nil	-
2.	Dr. Kandiraju Venkata Sitaram Rao	Nil	-
3.	Mrs. Uma Devi Chigurupati	Nil	-
4.	Mr. Harsha Chigurupati	Nil	-
5.	Mrs. Priyanka Chigurupati	Nil	-
6.	Mr. Kolli Basava Sankar Rao	Nil	-
7.	Mr. Arun Sawhney	Nil	-
8.	Dr. Saumen Chakraborty	1(One)	Independent Director at: • Krishna Institute of Medical Sciences Limited
9.	Mrs. Sucharita Rao Palepu	Nil	-
10.	Mr. Kapil Kumar Mehan	1 (One)	Independent Director at: • Punjab Chemicals and Crop Protection Limited*
11.	Dr. Sethurathnam Ravi	5 (Five)	Independent Director at: • Aditya Birla Money Limited • PCBL Chemical Limited • Usha Martin Limited Non-Executive- Non-Independent Director at: • Spacenet Enterprises India Limited • Tourism Finance Corporation of India Limited
12.	Mr. Rajiv Pritidas Kakodkar	Nil	-

*Mr. Kapil Kumar Mehan was appointed as an Additional Director categorised as Independent at Punjab Chemicals and Crop Protection Limited w.e.f. April 30, 2025.

Shares held by Non-Executive Directors:

The number of equity shares of the Company held by Non-Executive Directors as of March 31, 2025 is as follows:

Sl. No	Name of Non-Executive Director	No. of shares held	Percentage of paid-up capital
1.	Mr. Kolli Basava Sankar Rao (holding along with his spouse)	34,22,755	1.41
2.	Mr. Arun Sawhney	Nil	Nil
3.	Dr. Saumen Chakraborty	Nil	Nil
4.	Mrs. Sucharita Rao Palepu	Nil	Nil
5.	Mr. Kapil Kumar Mehna	Nil	Nil
6.	Dr. Sethurathnam Ravi	Nil	Nil
7.	Mr. Rajiv Pritidas Kakodkar (holding along with his spouse)	6,000	0.00

Core Skills / Expertise / Competencies of the Board of Directors

The Board is comprised of qualified members who possess the required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills/expertise/competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership and Strategic Planning
- Industry Experience
- Global Business
- Operations and Research & Development
- Finance
- Human Resources

Sl.No.	Name of the Director	SKILLS & EXPERTISE					
		Leadership and Strategic Planning	Industry Experience	Global Business	Operations and Research & Development	Finance	Human Resources
1.	Dr. Krishna Prasad Chigurupati	✓	✓	✓	✓	✓	✓
2.	Dr. Kandiraju Venkata Sitaram Rao	✓	✓	✓	✓	✓	✓
3.	Mrs. Uma Devi Chigurupati	✓	✓	✓		✓	✓
4.	Mr. Harsha Chigurupati	✓	✓	✓	✓	✓	✓
5.	Mrs. Priyanka Chigurupati	✓	✓	✓	✓	✓	✓
6.	Mr. Kolli Basava Sankar Rao	✓	✓	✓	✓	✓	✓
7.	Mr. Arun Sawhney	✓	✓	✓	✓	✓	✓
8.	Dr. Saumen Chakraborty	✓	✓	✓	✓	✓	✓
9.	Mrs. Sucharita Rao Palepu	✓		✓		✓	✓
10	Mr. Kapil Kumar Mehan	✓	✓	✓	✓	✓	✓
11.	Dr. Sethurathnam Ravi	✓	✓	✓		✓	✓
12.	Mr. Rajiv Pritidas Kakodkar	✓	✓	✓	✓	✓	✓

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of the Committees are placed before the Board for review. The Chairman of the Committees apprises periodically about the working of the Committees to the Board. The Board has currently established the following statutory and non-statutory committees:

Audit Committee

The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting to ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The Committee oversees the work carried out by the management, statutory auditors and internal auditors about the financial reporting process and the safeguards employed by them.

The Committee comprises four members, with a majority being Independent Directors. The composition, procedures, powers and role of the Committee constituted by the Board comply with the requirements of section 177 of the Companies Act, 2013 and regulation 18 of the Listing Regulations. The terms of reference of the Committee are broadly as under:

a. Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

b. Recommending the appointment and removal of auditors & fixation of their audit fee and approval for payment for any other services.

c. Discussion with statutory auditors before the audit commences about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.

d. Reviewing financial statements and the draft audit reports, including quarterly/half-yearly financial information.

e. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:

- The changes in accounting policies and practices.
- Major accounting entries based on the exercise of judgment by the management.
- Qualifications/modified opinion in the draft audit report.
- Significant adjustments arising out of the audit.
- The going concern assumption.
- Compliance with the accounting standards, listing regulations & legal requirements concerning financial statements.
- Disclosure of related party transactions, claims against the Company and contingent liabilities.

f. Reviewing, with the management, external and internal auditors, the adequacy, and compliance of internal control systems.

g. Reviewing the adequacy of internal audit functions.

h. Discussion with the internal auditors on any significant findings and follow-up thereon.

i. Review of independence of the auditors.

j. Evaluation of internal financial controls and risk management system.

k. Review of borrowings, inter-corporate loans and investments.

l. Review of the functioning of the vigil mechanism.

m. Review and approve related party transactions.

n. Review of the corporate annual budget and business plan.

o. Approval of appointment of Chief Financial Officer.

p. Any other function as delegated by the Board from time to time and as required under the applicable laws & regulations.

During the financial year April 2024 – March 2025, 5 (Five) Committee meetings were held. The dates on which the said meetings were held are May 14, 2024, July 29, 2024, November 06, 2024, January 24, 2025 and March 25, 2025. The Committee at its meeting held on May 14, 2024, had considered the audited annual accounts for the financial year 2023-24.

The composition of the Committee and particulars of meetings attended by the members of the Committee are given below:

Name	Category	Number of meetings during the financial year 2024–2025	
		Held	Attended
Dr. Saumen Chakraborty Chairman	Independent, Non-Executive	05	05
Mr. Arun Sawhney	Independent, Non-Executive	05	05
Dr. Sethurathnam Ravi	Independent, Non-Executive	05	05
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	05	05

The Committee meetings were also attended by the partner/ representatives of the Statutory Auditors and Internal Auditors. Dr. Saumen Chakraborty, the Chairman of the Audit Committee, was present at the 33rd Annual General Meeting of the Company held on August 06, 2024.

The Committee meetings were preceded by the pre-audit Committee meetings with the Chief Financial Officer, the internal & statutory auditors and other key finance personnel of the Company. During these meetings, key audit-related matters are discussed and items that need further discussion at the Committee meetings are identified.

The internal and statutory auditors of the Company discuss their findings & updates and submit their views to the Committee. Separate discussions were held with the internal auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company. Permissible non-audit-related services undertaken by the statutory auditors were pre-approved by the Committee.

Nomination & Remuneration Committee

The role of the Committee is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The Committee evaluates the performance of Directors and Senior Management Personnel and recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company. It has also worked with management to review the organisation design, plan for upgrading and retaining talent at all levels, review succession plans for key positions and the performance management systems.

The Committee's composition and terms of reference comply with the provisions of section 178 of the Companies Act, 2013, regulation 19 of the Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 as amended from time to time. The terms of reference of the Committee inter alia, are as under:

a. Make recommendations to the Board regarding the composition of the Board.

b. Identify persons who are qualified to become Directors and who may be appointed to senior management in accordance with the criteria laid down and recommend to the Board, their appointment, payment of remuneration and changes, if any.

c. Support the Board and Independent Directors, as may be required, in the evaluation of the performance of the Board, its Committees and individual Directors.

d. Devise a policy on Board diversity.

e. Review of the compensation strategy, human resources related policies and issues of the Company from time to time.

f. Review and administer the Company's ESOP schemes and recommend changes if any.

The remuneration policy of the Company aligns with the existing industry practice. The remuneration policy is primarily based on criteria like the performance of the Company, potential, experience and performance of individual personnel and the external environment. The Committee for FY 2024-25 comprises three Non-Executive Independent Directors. Mr. Arun Sawhney, Independent Director, is the Chairman of the Committee.

4 (Four) Meetings of the Committee were held during the financial year 2024 – 2025. The dates on which the said meetings were held are May 14, 2024, July 29, 2024, November 05, 2024 and January 23, 2025. The composition of the Committee and particulars of meetings attended by the members of the Committee are given below:

Name	Category	Number of meetings during the financial year 2024–2025	
		Held	Attended
Mr. Arun Sawhney, Chairman	Independent, Non-Executive	04	04
Dr. Saumen Chakraborty	Independent, Non-Executive	04	04
Mr. Kapil Kumar Mehan	Independent, Non-Executive	04	04

Mr. Arun Sawhney, Chairman of the Committee was present at the 33rd Annual General Meeting of the Company held on August 06, 2024.

The details relating to the remuneration of Directors, as required under regulation 34 read with Schedule V of the Listing Regulations, have been given under a separate section, viz. 'Directors' Remuneration' in this Report.

Share Transfer and Stakeholders Relationship Committee

The Committee looks into various aspects of the interests of the shareholders. The Committee ensures cordial investor relations and oversees the mechanism for the redressal of investors' grievances. The Committee's composition and terms of reference comply with the provisions of section 178 of the Companies Act, 2013 and regulation 20 of the Listing Regulations. The terms of reference of the Committee inter alia, are as under:

a. Resolving the grievances of the shareholders.

b. Reviewing details of the transfer of unclaimed dividend/ equity shares to the Investor Education and Protection Fund Authority.

c. Reviewing the transmission, de-materialization/re-materialization and issue of duplicate share certificates of the Company's shares.

d. Reviewing adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent.

e. Ensuring timely receipt of dividend/annual reports/ statutory notices by the shareholders of the Company.

3 (Three) Meetings of the Committee were held during the financial year April 2024- March 2025. The composition of the Committee during the year April 2024 – March 2025 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2024-25	
		Held	Attended
Mr. Kapil Kumar Mehan, Chairman	Independent, Non-Executive	03	03
Mrs. Uma Devi Chigurupati	Non-Independent, Executive	03	03
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	03	03

Mr. Kapil Kumar Mehan, Chairman of the Committee was present at the 33rd Annual General Meeting of the Company held on August 06, 2024.

Compliance Officer

Ms. Chaitanya Tummala, Company Secretary, is the Compliance Officer for complying with the requirements of Securities Laws.

Investor Grievance Redressal

During the financial year 2024-25, 2 (Two) complaints were received from the shareholders and all the grievances were redressed within an average time of 7 days and no complaints are pending as of March 31, 2025.

Sustainability & Corporate Social Responsibility (CSR) Committee

The Sustainability & Corporate Social Responsibility Committee has been entrusted with the specific responsibility of reviewing

corporate social responsibility programs. The scope of the Committee includes approving the budget for CSR activities, reviewing the CSR programs, formulating the annual action plan & monitoring CSR spending and supervising sustainability governance for the Company.

The Committee of the Board is constituted in accordance with the provisions of section 135 of the Companies Act, 2013. The terms of reference of the Committee inter alia, are as under:

- Formulate, review and recommend to the Board the CSR policy containing guiding principles for selection, implementation and monitoring of CSR activities as specified under Schedule VII of the Act;
- Formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have oversight over its implementation.
- Recommend the amount to be spent on CSR activities and review reports on the performance of CSR.
- Supervise sustainability governance for the Company by setting strategic objectives, overseeing performance, ensuring alignment with the corporate values & goals, providing leadership & guidance on sustainability initiatives and ensuring integration into the business strategy of the Company.

1 (One) meeting of the Committee was held during the financial year April 2024- March 2025. The composition of the Committee during the year April 2024 – March 2025 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2024-25	
		Held	Attended
Mrs. Uma Devi Chigurupati, Chairperson	Non-Independent, Executive	01	01
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	01	01
Mrs. Sucharita Rao Palepu	Independent, Non-Executive	01	01
Mr. Rajiv Pritidas Kakodkar	Independent, Non-Executive	01	01

The CSR Policy of the Company is available on the website of https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf

Risk Management Committee

The Committee was constituted by the Board of Directors with its prime responsibility to implement and monitor the risk management plan and policy of the Company. The Committee's composition and terms of reference comply with the provisions of regulation 21 of the Listing Regulations as amended from time to time. The terms of reference of the Committee inter alia, are as under:

a) Review the detailed risk management policy which shall include:
   - A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   - Measures for risk mitigation including systems and processes for internal control of identified risks.
   - Business continuity plan.

b) Monitor and oversee the implementation of the risk management policy, including evaluation of the adequacy of risk management systems.

c) Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company.

2 (Two) Meetings of the Committee were held during the financial year April 2024- March 2025. The composition of the Committee during the year April 2024 – March 2025 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2024-25	
		Held	Attended
Mr. Kapil Kumar Mehan, Chairman	Independent, Non-Executive	02	02
Dr. Sethurathnam Ravi	Independent, Non-Executive	02	02
Mr. K.B. Sankar Rao	Non-Independent, Non-Executive	02	02
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	02	02
Dr. KVS Ram Rao	Non-Independent, Executive	02	01

Business Review Committee

The Board constituted a Business Review Committee to advise on all matters related to the management/operations of the Company. The Business Review Committee meets periodically to review, inter alia, the operational and financial performance of the Company. 06 (Six) meetings of the Committee were held during the financial year April 2024 - March 2025. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2024-25	
		Held	Attended
Mr. K.B. Sankar Rao, Chairman	Non-Independent, Non-Executive	06	06
Mr. Arun Sawhney	Independent, Non-Executive	06	06
Mr. Rajiv Pritidas Kakodkar	Independent, Non-Executive	06	05
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	06	06
Mrs. Priyanka Chigurupati	Non-Independent, Executive	06	06

Growth Opportunities Evaluation & Investment Committee

This Committee was dissolved with effect from March 25, 2025 as the growth opportunities are discussed and evaluated in the Business Review Committee of the Board periodically.

DIRECTORS' REMUNERATION

Performance Evaluation & Remuneration Policy

The Company has formulated a Performance Evaluation & Remuneration Policy for Directors, Key Managerial Personnel and other employees and is available on the website of the Company at https://granulesindia.com/wp-content/uploads/pdf/performance-evaluation-and-remuneration-policy.pdf. The Company's remuneration policy is directed towards rewarding performance based on a review of achievements periodically.

Further, the policy contains the criteria for performance evaluation of Independent Directors, the Board and other individual Directors. The criteria for performance evaluation cover the areas relevant to the functioning of the Directors such as preparation, participation, conduct, and effectiveness.

The performance evaluation of Independent Directors was done by the entire Board and in the evaluation, the Directors who are subject to evaluation did not participate. The Independent Directors at their separate meeting evaluated the performance of the Chairman of the Company, Non-Independent Directors and the Board as a whole.

Details of remuneration paid to the Executive Directors during the FY 2024-25

(₹ in Millions)

Name	Salary		Perquisites	Commission	Total
	Fixed	Variable			
Dr. Krishna Prasad Chigurupati Chairman & Managing Director	20.10	-	1.99	214.75	236.84
Dr. Kandiraju Venkata Sitaram Rao Joint Managing Director & CEO	66.92	26.60	-	-	93.52
Mrs. Uma Devi Chigurupati Executive Director	2.34		0.12	21.22	23.68
Mr. Harsha Chigurupati Executive Director	6.00	-	0.03	17.65	23.68
Mrs. Priyanka Chigurupati Executive Director	20.00	-	0.02	3.66	23.68

Service Contract, Severance Fees, and Notice Period

Terms of Agreement	Dr. Krishna Prasad Chigurupati	Dr. Kandiraju Venkata Sitaram Rao	Mr. Harsha Chigurupati	Mrs. Uma Devi Chigurupati	Mrs. Priyanka Chigurupati
Period of Contract	5 years up to August 31, 2029	5 years up to January 04, 2027	5 years up to August 28, 2029	5 years up to May 30, 2027	5 years up to January 22, 2029
Severance fees/notice period	Six Months	Six Months	Six Months	Three Months	Six Months
	There is no separate provision for payment of severance fees.				

Details of remuneration paid to Non-Executive Directors during the FY 2024-25

During the FY 2024-25, the Company paid sitting fees of ₹ 40,000 per meeting to the Non-Executive Directors for attending each meeting of the Board and Business Review Committee and ₹ 30,000 per meeting for attending each meeting of the other Committees of the Board.

The Members at the Annual General Meeting of the Company held on July 27, 2022 approved the payment of commission to each Non-Executive Director at a rate of 0.05% per annum with a maximum limit of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The commission was decided each quarter by the Nomination & Remuneration Committee. There were no pecuniary transactions with any Non-Executive Director of the Company.

Following are the details of sitting fees paid to the Directors for attending the Board and Committee meetings during the FY 2024-25 and the commission paid/provided during the period under review:

(₹ in Millions)

Name	Sitting fee	Commission
Mr. Kolli Basava Sankar Rao	0.54	2.37
Mr. Arun Sawhney	0.75	2.37
Dr. Saumen Chakraborty	0.51	2.37
Mrs. Sucharita Rao Palepu	0.27	2.37
Mr. Kapil Kumar Mehan	0.51	2.37
Dr. Sethurathnam Ravi	0.41	2.37
Mr. Rajiv Pritidas Kakodkar	0.47	2.37

GENERAL BODY MEETINGS

Annual General Meetings

The details of the preceding three years' Annual General Meetings are as under:

AGM	Year	Location	Date	Time	Number of special resolutions passed
33rd	2023-24	Held Through VC/OAVM	06/08/2024	11:30 AM	2
32nd	2022-23	Held Through VC/OAVM	10/08/2023	03.30 PM	2
31st	2021-22	Held Through VC/OAVM	27/07/2022	03:00 PM	2

Extraordinary General Meetings

No Extra-Ordinary General Meetings of the members of the Company were held during the period under review and during the three preceding financial years.

POSTAL BALLOT

For the year ended March 31, 2025 no resolutions were proposed to be passed through postal ballot. Further, there is no immediate proposal to pass any resolution through the postal ballot process.

The details of Postal Ballot resolutions of the preceding three years are as under:

Financial Year	Date	Number of special resolutions passed
2023-24	02/04/2024	3
2021-22	24/02/2022	2

DISCLOSURES

i) Related party transactions

All related party transactions that were entered into during FY 2024-25 were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Company has not entered into any transaction with any person or entity belonging to the Promoter/Promoter Group which holds(s) 10 % or more shareholding in the Company and has not given any loan to any firm/Company in which Directors of the Company are interested.

In compliance with regulations 34 (3) and the accounting standard 18, transactions with the related parties are disclosed in the notes to accounts.

The Policy on Related Party Transactions as approved by the Board is placed on the website of the Company at https://granulesindia.com/wp-content/uploads/2022/03/Granules-Related-Party-Transactions-Policy.pdf

ii) Details of non-compliance etc.

The Company complied with the requirements of the Stock Exchanges, the SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures were imposed on the Company by any of these authorities during the last three years.

iii) Disclosure of accounting treatment

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under Sec 133 of the Companies Act, 2013 and other relevant provisions of the Act.

iv) Vigil Mechanism & Whistleblower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism & Whistle Blower Policy under which the employees & Directors are free to report violations of applicable laws, regulations and the Code of Conduct without fear of any retaliation. The reportable matters may be disclosed as per the procedure mentioned in the Vigil Mechanism & Whistle Blower Policy of the Company. During the year under review, no personnel of the Company were denied access to the Audit Committee.

The Vigil Mechanism & Whistle Blower Policy of the Company is placed on the website of the Company at https://granulesindia.com/wp-content/uploads/2025/02/GIL-Whistle-blower-policy-Jan-2025.pdf

v) Risk Management

The Company has risk management procedures in place which are reviewed periodically. Risk management is carried out to ensure that the Company is not overly dependent on a particular product, customer or geography. In addition, it facilitates risk assessment and timely rectification and helps minimize the risk associated with any strategic, operational, financial, Information Technology and compliance risk across all business operations.

vi) Subsidiary Companies

The subsidiaries of the Company function independently with an adequately empowered Board of Directors. The minutes of the Board Meetings of subsidiaries are placed periodically before the Board of the Company for its review and statements of all significant transactions and arrangements entered into by the subsidiary Companies are also placed before the Board.

In addition to the above, regulation 24 of the SEBI Listing regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. Accordingly, an Independent Director was appointed to the Board of the unlisted material subsidiaries.

The Company has formulated a policy for determining material subsidiaries and has placed it on the website of the Company at https://granulesindia.com/wp-content/uploads/2022/03/Policy-on-Material-Subsidiaries.pdf

vii) Code of conduct

The Company has laid down a "Code of Conduct" for the Directors and the Senior Management Personnel. The members of the Board, including Independent Directors and Senior Management Personnel of the Company, have affirmed compliance with the Code of Conduct as of March 31, 2025. A declaration to this effect, signed by the Joint Managing Director & Chief Executive Officer is given as an annexure to this report. The code is placed on the website of the Company at https://granulesindia.com/wp-content/uploads/pdf/other-information/Code-of-Conduct-for-Board-and-SMP.pdf.

viii) CEO and CFO certification

The Joint Managing Director & Chief Executive Officer and the Chief Financial Officer have certified to the Board regarding the compliance of matters specified in regulation 17(8) read with Part B of Schedule II of the Listing Regulations and is given as an annexure to this report. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 28, 2025.

ix) Certificate on Corporate Governance

A certificate from the Company's secretarial auditor, M/s. Saurabh Poddar & Associates confirming compliance with conditions of Corporate Governance, as stipulated under regulation 34 read with Schedule V of the Listing Regulations, is given as an annexure to this Report.

x) Certificate of Non-Disqualification of Directors

A certificate from the Company's secretarial auditor, M/s. Saurabh Poddar & Associates stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI or the Ministry of Corporate Affairs or any such statutory authority as stipulated under regulation 34 read with Schedule V of the Listing Regulations is given as annexure to this Report.

xi) Details of the utilisation of funds raised through preferential allotment or qualified institutional placement

The Company has not raised any funds through preferential allotment or qualified institutional placement during the financial year ended on March 31, 2025.

xii) Acceptance of the recommendations of the Committees by the Board of Directors

All the Committees' recommendations were accepted by the Company's Board of Directors during the financial year 2024-25.

xiii) Details of fees paid to the statutory auditors

Given below are the details of the fees paid to M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Company and to all their network firms & entities on a consolidated basis during the financial year ended March 31, 2025:

Sl.No	Payments to the Statutory Auditors (excluding taxes)	Fees paid in (₹ in Million)
1	Fees for Audit and related services	15.74
2	Fees for Non-Audit Services	4.31
	Total	**20.05**

xiv). Disclosures in relation to the sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal)

Act, 2013 ('POSH Act') and rules made thereunder, the Company has formed an Internal Complaints Committee (ICC) for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for the prevention of sexual harassment at the workplace, which ensures a free and fair inquiry process with clear timelines for resolution.

Below are the details of complaints received/resolved during the year under review.

Sl.No	Particulars	No.
1	Number of complaints on Sexual harassment received during the year	01
2	Number of complaints disposed of during the year	01
3	Number of cases pending as of March 31, 2025	Nil

xv). Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

S.NO.	Name of the material Subsidiary	Date & Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor
1.	Granules USA, Inc.*	March 05, 2003 in the state of Delaware, USA	M/s. SR Batliboi & Associates LLP	With effect from April 1, 2023
2.	Granules Pharmaceuticals, Inc.	October 21, 2014 in the state of Delaware, USA	M/s. SR Batliboi & Associates LLP	With effect from April 1, 2023
3.	Garnules Life Sciences Private Limited	November 18, 2020 in the state of Telangana, India	M/s. SR Batliboi & Associates LLP	With effect from April 1, 2023

*Granules USA, Inc. was merged with Granules Pharmaceuticals, Inc. with effect from April 01, 2025.

xvi). Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per the Listing Regulations.

Reporting of Internal Auditors to the Audit Committee has been adopted from discretionary requirements.

xvii). Familiarisation programs for Board members

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise themselves with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, the global business environment, business strategy and risks involved. Details of the familiarisation programs imparted to Independent Directors are placed on the website of the Company at https://granulesindia.com/investors/other-information/

xviii) Prevention of insider trading

In accordance with the requirements of SEBI (Insider Trading) Regulations, 2015, the Company has formulated a code of conduct for the prohibition of Insider Trading in the Company's Shares. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company.

xix) Commodity price risks/foreign exchange risk and hedging activities

The Company is not carrying on any Commodity Business. The appropriate disclosure of foreign exchange risk and hedging activities is given in note 2 a (v) of the notes to the standalone financial statements.

xx) Loans & Advances

The Company and its subsidiaries have not granted loans and advances in the nature of loans to firms/ Companies in which Directors of the Company are interested.

xxi) The Disclosures of compliance with Corporate Governance requirements specified in regulations 16 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows

Regulations	Particulars of Regulations	Compliance Status Yes/ No/N.A.
16	Independent Director	Yes
17	Board of Directors	Yes
17A	Maximum number of directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate governance requirements concerning a subsidiary of the listed entity	Yes
24A	Secretarial audit	Yes
25	Obligations concerning Independent Directors	Yes
26	Obligations concerning Directors and senior management	Yes
27	Other corporate governance requirements	Yes
46(2)(b) to (i)	Website	Yes

xxii) Particulars of Senior Management Personnel (SMP)

The particulars of Senior Management Personnel of the Company as of the date of the report:

Name	Designation
Mrs. Priyanka Chigurupati	Executive Director & Head of Marketing
Mr. Mukesh Surana	Chief Financial Officer
Mrs. Chaitanya Tummala	Company Secretary
Mr. Atul Dhavle	Chief Human Resources Officer
Mr. P.V. Srinivas	Chief Technology Officer - Head of R&D
Mr. Ramraj Rangarajulu	President and Head - Formulations Operations
Dr. Baskaran PN	President and Head - API Operations
Mr. Rajesh Kapoor	President and Global Head - Quality
Mr. Sanjay Kumar	President and Chief Strategy & Sustainability Officer
Mr. B. Krishna Mohan	Vice-President -Head of IT

(1) Mr. Ramraj Rangarajulu was appointed w.e.f. October 14, 2024.
(2) Mr. Rajesh Kapoor was appointed w.e.f. January 09, 2025.
(3) Dr. P.N. Baskaran was appointed w.e.f. April 02, 2025.
(4) Mr. Anil Arora ceased to be President – Operations-Formulations of the Company w.e.f. closing hours of November 30, 2024.
(5) Mr. Riaz Ahmed ceased to be Senior Vice President & Head of Supply Chain of the Company w.e.f. closing hours of February 03, 2025.
(6) Mr. Sethu Madhavan Sankaran, ceased to be Senior Vice President & API Manufacturing & Operations of the Company w.e.f. closing hours of February 28, 2025.
(7) Mr. G.N. Prashanth, ceased to be Senior Vice President- Quality of the Company w.e.f. closing hours of April 18, 2025.

xxiii) Disclosure of certain types of agreements binding the Company

There are no agreements entered into by the shareholders, promoters, promoter group entities, related parties, Directors, key managerial personnel and employees of the Company or its subsidiaries which either directly or indirectly or have the potential to impact the management or control of the Company by imposing any restrictions or creating any liability upon the Company as specified in Clause 5A of Paragraph A of Part A of Schedule III of the Listing Regulations.

MEANS OF COMMUNICATION

Stock exchange intimations

All submissions to the Stock Exchanges are made through the respective electronic filing systems. All unpublished price-sensitive information, material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Limited through the NEAPS portal and with BSE Limited through BSE's Listing Centre.

Financial results

The quarterly/half-yearly/annual financial results are filed with the stock exchanges through their online portals, published in the 'Business Standard' and 'Nava Telangana' newspapers and are displayed on the website of the Company at https://granulesindia.com/investors/financial-reports/quarterly-results/.

News releases

Stock exchanges are regularly updated on any developments/ events and are simultaneously displayed on the Company's website. All the releases can be accessed on the Company website at https://granulesindia.com/media/.

Presentations to institutional investors/analysts

Detailed presentations are made to the institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings calls. The presentations made and transcripts & audio recordings of the earnings call are updated on the stock exchanges and are also uploaded on the website of the Company at www.granulesindia.com.

Website

The Company's website www.granulesindia.com contains a separate dedicated section 'Investors' where shareholder information is available.

Annual report

The annual report containing, inter alia, the Director's report, Corporate Governance report, Business Responsibility & Sustainability Report, Audited Standalone & Consolidated financial statements, along with the auditor's report thereon and other important information, is circulated to the members and other stakeholders entitled thereto. The Company's Annual Report is also available in a user-friendly and downloadable form at https://granulesindia.com/investors/financial-reports/annual-reports/.

Management discussion and analysis (MDA) Report

The report on MDA forms part of the annual report.

SEBI complaints redressal system (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are: A centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

Dedicated e-mail ID

The Company has designated the following email ID exclusively for investor servicing: investorrelations@granulesindia.com.

GENERAL SHAREHOLDER INFORMATION

Company Registration Details

The Company is registered in the State of Telangana, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110TG1991PLC012471.

34th Annual General Meeting

Date: August 07, 2025

Time: 11.30 A.M.

Venue: The Company is conducting the meeting through VC/OAVM pursuant to the MCA Circular dated May 05, 2020 and as such, there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

Financial year

April 1 to March 31

Date of Book Closure

August 01, 2025 to August 07, 2025 (both days inclusive)

Dividend Payment

The final dividend for the financial year 2024-25, if declared, shall be paid /credited on or before September 05, 2025.

Listing on Stock Exchanges

Equity Shares

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Scrip Code - 532482

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex,

Bandra (E), Mumbai 400 051

Trading Symbol – GRANULES

Payment of Listing Fees

The annual listing fees for the financial year 2025-26 have been paid by the Company to BSE and NSE.

The tentative calendar for the financial year 2025-26

The tentative dates of the meeting of the Board of Directors for consideration of quarterly financial results for the financial year 2025-26 are as follows:

Results	Tentative Dates
First quarter	Third week of August, 2025
Second quarter and half-yearly	Second week of November, 2025
Third quarter	Second week of February, 2026
Fourth quarter and annual	Third week of May 2026

Registrar and Transfer Agent

M/s. KFin Technologies Limited is the Registrar & Transfer Agent of the Company. Any request pertaining to investor services may be addressed to the following address:

KFin Technologies Limited

Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel: +91-40-67161500

Toll-Free No.: 1-800-309-4001

e-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form except in case of a request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of equity shares in electronic form is effected through the depositories with no involvement of the Company.

Secretarial Audit

M/s. Saurabh Poddar & Associates, Practicing Company Secretaries, has conducted a secretarial audit of the Company for the financial year 2024-25 in compliance with Regulation 24A (1) of the Listing Regulations. The audit report confirms that the Company has complied with the applicable provisions of the Act and the rules made thereunder, the Listing Regulations and the applicable SEBI Acts & regulations. The secretarial audit report of the Company and its material unlisted Indian subsidiary forms part of the Board's Report.

In accordance with regulation 24A (2) of the Listing Regulations, the Company has obtained an annual secretarial compliance report from M/s. Saurabh Poddar & Associates, Practising Company Secretaries, confirming compliance with all applicable SEBI regulations, circulars and guidelines for the year ended March 31, 2025.

M/s. Saurabh Poddar & Associates, Practising Company Secretary, carried out an audit to reconcile the total admitted share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed share capital. The reconciliation of the share capital audit report confirms that the total paid-up share capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Shareholding

a) Shareholding pattern by size as of March 31, 2025

Category (Shares)	No. of Shareholders	No. of Shares held	Percentage of Shareholding
1 - 5000	1,71,919	2,34,37,336	9.67
5001 - 10000	500	36,48,469	1.50
10001 - 20000	166	24,02,466	0.99
20001 - 30000	86	21,68,813	0.89
30001 - 40000	55	19,44,785	0.80
40001 - 50000	31	14,48,876	0.60
50001 - 100000	73	54,76,154	2.26
100001 & ABOVE	155	20,19,66,817	83.29
TOTAL	**1,72,985**	**24,25,43,716**	**100.00**

b) Shareholding pattern category-wise as of March 31, 2025

Category	No. of Shares held	Percentage of Shareholding
Promoter & Promoter Group	9,42,03,525	38.84
Foreign Portfolio Investors	3,67,38,286	15.15
Mutual Funds, Insurance Companies, NBFC etc.	5,44,63,812	22.46
Bodies Corporate	81,34,612	3.35
HUF	11,21,831	0.46
Individual Shareholders	4,78,81,650	19.74
TOTAL	**24,25,43,716**	**100.00**

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading from both the depositories in India viz., the NSDL and CDSL. The Company's equity shares, representing 99.97% of the Company's share capital were dematerialised as of March 31, 2025.

The Company's shares are regularly traded on the National Stock Exchange of India Limited and the BSE Limited in electronic form. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE101D01020.

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any other convertible instruments

There are no outstanding GDRs/ADRs/warrants or any other convertible instruments as of 31st March 2025.

Employee Stock Options

The information on stock options granted by the Company and other particulars about employees' stock options during the financial year 2024-25 are set out in the Director's Report.

Disclosure concerning Demat suspense account/ unclaimed suspense account

The unclaimed equity shares are held in Granules India Limited-Unclaimed shares suspense account maintained with Stock Holding Corporation of India Limited, G-6 to G-10, East Block, Ground Floor, Swarna Jayanti Commercial Complex, Ameerpet, Hyderabad-500038 vide Client ID: 40451330 and DP ID: IN301220. In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account:

Sl. No	Particulars	Number of Shareholders	Number of equity shares
1	An aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense account at the beginning of the year i.e., April 01, 2024.	05	10,000
2	No. of shareholders who approached the Company for the transfer of shares from the Unclaimed Suspense account during the year.	-	-

Sl. No	Particulars	Number of Shareholders	Number of equity shares
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	-	-
4	No. of shareholders and shares transferred to the Investor Education and Protection Fund Authority pursuant to the provisions of section 124 of the Companies Act, 2013.	-	-
5	An aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year i.e., March 31, 2025.	05	10,000

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

Transfer of shares to the Investor Education and Protection Fund

Pursuant to the provisions of section 124 of the Act, read with the IEPF Rules, all the shares for which dividends remain unpaid or unclaimed for a period of seven consecutive years shall be transferred to the Demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 14,897 (0.006%) equity shares to the IEPF Authority during the financial year 2024-25.

Plant locations:

1. **Finished Dosage Unit:**

   Survery Nos:160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal-Gandimaisamma Mandal, Medchal-Malkajgiri District, 500043, Telangana, India.

2. **API Unit – I:**

   Survery Nos: 533, 535, 536, 537, 646 & 648, Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District-502313, Telangana, India.

3. **API Unit – II:**

   Plot No 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Hyderabad- 500055, Medchal- Malkajgiri District, Telangana, India.

4. **API Unit – III:**

   Sy.No.216, Bonthapally village, Gummadidala Mandal, Sangareddy District, 502313 Telangana, India.

5. **API Unit – IV:**

   Plot No 8, Jawaharlal Nehru Pharma City, Tadi Village, Parawada Mandal, Anakapally District - 531019, Andhra Pradesh, India.

6. **API Unit – V**

   Plot No.30, Jawaharlal Nehru Pharma City, Parawada Mandal, Anakapally District- 531019, Andhra Pradesh, India.

R&D Centres

1. Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Hyderabad - 500072, Medchal- Malkajgiri District, Telangana, India.
2. Survey Nos. 234 / 1 to 4 and 6 to 7, 235 /6 to 9 and 245 / 1 to 3, India Land Global Industrial Park, Hinjewadi Phase -1, Mulshi Taluka, Pune District, 411057, Maharashtra, India.
3. H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Hyderabad - 500072, Medchal- Malkajgiri District, Telangana, India.
4. Lab No: 11 & 13, Building No:1800, Sy No. 101,101/2 &340, M. N. Park, Genome Valley, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal- Malkajgiri District, 500078, Telangana, India.

Address for correspondence

Registered Office & Corporate Office

Granules India Limited, 15th Floor, Granules Tower,
Botanical Garden Road, Kondapur,
Hyderabad – 500084, Telangana, India.
Tel: 91-40-69043500, Fax: 91-40-23115145
E-mail: investorrelations@granulesindia.com
Website: www.granulesindia.com

Green Initiative

The Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents, including the Annual Report to the Members at their e-mail addresses registered with the Depository Participants ('DPs') and RTA. Members who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Members who hold shares in physical form are requested to register their e-mail address with the RTA by sending a letter duly signed by the first/sole holder, quoting details of the folio number.

On behalf of the Board of Directors

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, May 28, 2025

DECLARATION BY THE JOINT MANAGING DIRECTOR & CEO

I, Kandiraju Venkata Sitaram Rao, Joint Managing Director & CEO, 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 in respect of the financial year 2024-25.

Dr. Kandiraju Venkata Sitaram Rao

Place: Hyderabad
Date: May 28, 2025

Joint Managing Director& CEO
DIN: 08874100

CEO AND CFO CERTIFICATE

(Pursuant to regulation 17(8) read with Part B of Schedule II of the Listing Regulations)

To,
The Board of Directors
Granules India Limited

We hereby certify that:

a. We have reviewed financial statements (standalone & consolidated), including the cash flow statement for the financial year ended March 31, 2025 and to the best of our knowledge and belief:

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

   ii. These statements together present a true and fair view of the company's affairs and comply with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which is fraudulent, illegal or violates the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company for financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee

   i. that there are no significant changes in internal control over financial reporting during the year;

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

   iii. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mukesh Surana
Chief Financial Officer

Dr. Kandiraju Venkata Sitaram Rao
Joint Managing Director & CEO
DIN: 08874100

Place: Hyderabad
Date: May 28, 2025

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,
M/s. Granules India Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Granules India Limited having Corporate Identification Number L24110TG1991PLC012471 and has its Registered Office at 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India, produced before me by the Company to issue this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C subclause (10) (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my knowledge and based on the following:

i. Documents available on the website of the Ministry of Corporate Affairs;

ii. Verification of Directors Identification Number (DIN) status on the website of the Ministry of Corporate Affairs;

iii. Disclosures provided by the Directors (as enlisted in Table A) to the Company; and

iv. Debarment list of BSE Limited and National Stock Exchange of India Limited.

We hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, MCA or any such other statutory authority as on March 31, 2025.

TABLE: A

Sl. No.	NAME	DESIGNATION	DIN	Date of appointment in the Company
1.	Dr. Krishna Prasad Chigurupati	Chairman & Managing Director	00020180	31-08-1994
2.	Dr. Kandiraju Venkata Sitaram Rao	Joint Managing Director & CEO	08874100	05-01-2022
3.	Mrs. Uma Devi Chigurupati	Executive Director	00737689	31-05-2012
4.	Mr. Harsha Chigurupati	Executive Director	01606477	26-07-2010
5.	Ms. Priyanka Chigurupati	Executive Director	01793431	23-01-2024
6.	Mr. Basava Sankar Rao Kolli	Non-Executive Director	05167550	19-02-2013
7.	Mr. Arun Sawhney	Independent Director	01929668	29-10-2018
8.	Dr. Saumen Chakraborty	Independent Director	06471520	13-12-2021
9.	Mrs. Sucharita Rao Palepu	Independent Director	07807717	22-12-2021
10.	Mr. Kapil Mehan	Independent Director	01215092	16-05-2023
11.	Mr. Sethurathnam Ravi	Independent Director	00009790	23-01-2024
12.	Mr. Rajiv Pritidas Kakodkar	Independent Director	01519590	20-02-2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on the 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 M/s. Saurabh Poddar & Associates
Company Secretaries
FIRM UIN: S2012AP177700

Name: Saurabh Poddar
Designation: Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000280593

Place: Hyderabad
Date: May 06, 2025

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI

(Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

To,
The Members,
Granules India Limited

I, Saurabh Poddar, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at the meeting held on May 15, 2024 by the Board of Directors of M/s. Granules India Limited (hereinafter referred to as 'The Company), having CIN: L24110TG1991PLC012471 and having its registered office at 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India.

Further, I have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2025, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

The compliance with conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

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

2. Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2025.

3. I have examined the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports and Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India (the "ICSI"), insofar as applicable for this certificate. The Guidance Note requires that I comply with the ethical requirements of the Code of Ethics issued by the ICSI.

Certification:

In my opinion and to the best of information and according to the explanations given, I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Regulations.

Assumptions & Limitations of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the management of the Company.

2. My responsibility is to give a certificate based on the examination of relevant documents and information. It is neither an audit nor an investigation.

3. 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.

4. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M/s. Saurabh Poddar & Associates
Company Secretaries
FIRM UIN: S2012AP177700

Name: Saurabh Poddar
Designation : Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190G000281429

Place: Hyderabad
Date: May 06, 2025

Standalone Financial Statements

Independent Auditor's Report

To the Members of Granules India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Granules India Limited** ("the Company"), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 for the financial year ended March 31, 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2 (l) of the standalone financial statements)	
Revenue from sale of goods is recognized when control of the goods 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. Control is usually transferred, in accordance with the delivery terms agreed with the customers. The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., upon shipment, delivery to, upon receipt of goods by the customer. The risk is, therefore, that revenue may not get recognized in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures, among others included the following: • Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of key internal controls related to revenue recognition. • We selected sample of transactions (including year-end testing of cut-off transactions) and tested the underlying documents, including customer contracts / sales order, invoices and shipping documents to assess and analyze the timing of recognition of revenue and contractual terms; Performed analytical procedures and tested journal entries over revenue as compared to previous periods to identify any unusual variances. • Assessed the relevant disclosures made in the standalone financial statements.

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone 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 the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 33 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with

the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. As stated in Note 9 to the standalone financial statement:

a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Kabra
Partner
Membership Number: 102328
UDIN: 25102328BMOPZT6583

Place of Signature: Hyderabad, India
Date: May 28, 2025

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Granules India Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodically verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management except for inventories which are in transit. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

(b) As disclosed in note 13A to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited / unaudited books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture, and are of the opinion that prima facie, the specified accounts and records have been

made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs in millions)*	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income tax	0.64	AY 2008 – 09	Honourable High court of Judicature at Hyderabad
		21.11 (3.61)#	AY 2015 – 16	Commissioner of Income Tax – Appeals
		2.60	AY 2018 – 19	
		15.18 (5.55)#	AY 2020 - 21	
The Central Excise Act, 1944	Excise Duty	2.99	FY 2008 – 09 to FY 2010 – 11	The Central Excise and Service Tax Appellate Tribunal (CESTAT)
The Goods and service tax Act, 2017	Goods and service tax	5.21	FY 2017 – 18	Commissioner of Central Tax Rangareddy - GST

* Excludes interest, as applicable

\# amount paid under protest

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 37 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 22A to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 22A to the standalone financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Kabra
Partner
Membership Number: 102328
UDIN: 25102328BMOPZT6583

Place of Signature: Hyderabad, India
Date: May 28, 2025

Annexure '2' to the Independent Auditor's Report of even date on the Standalone Financial Statements of Granules India Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Granules India Limited ("the Company") as of March 31, 2025 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone 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 these 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 these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these standalone Financial Statements

A company's internal financial controls 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 controls 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, the Company has, in all material respects, 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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Kabra
Partner
Membership Number: 102328
UDIN: 25102328BMOPZT6583

Place of Signature: Hyderabad, India
Date: May 28, 2025

Standalone Balance Sheet as at March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3A	12,738.02	12,560.48
Capital work-in-progress	3A	1,202.47	525.31
Intangible assets	3B	447.46	581.48
Intangible assets under development	3B	5.38	4.06
Right-of-use assets	3C	864.53	94.75
Financial assets			
(i) Investments	4A	12,815.30	9,413.98
(ii) Other financial assets	4B	173.20	153.77
Income tax assets (net)		9.16	122.48
Other non-current assets	5A	394.07	260.74
Total non-current assets		**28,649.59**	**23,717.05**
Current assets			
Inventories	6	6,484.85	5,786.15
Financial assets			
(i) Trade receivables	7A	12,945.28	16,331.88
(ii) Cash and cash equivalents	7B	1,523.40	2,230.79
(iii) Bank balances other than cash and cash equivalents stated above	7B	179.96	50.35
(iv) Loans	7C	-	27.33
(v) Other financial assets	7D	42.86	23.04
Other current assets	5B	1,692.79	1,889.68
Total current assets		**22,869.14**	**26,339.22**
Total assets		**51,518.73**	**50,056.27**
Equity and liabilities			
Equity			
Equity share capital	8	242.54	242.37
Other equity	9	33,787.56	30,867.10
Total equity		**34,030.10**	**31,109.47**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10A	-	500.08
(ii) Lease liabilities	10B	864.94	72.14
Provisions	11A	315.03	378.61
Deferred tax liabilities (net)	12	304.29	310.47
Total non-current liabilities		**1,484.26**	**1,261.30**
Current liabilities			
Financial liabilities			
(i) Borrowings	13A	8,081.93	10,042.43
(ii) Lease liabilities	10B	40.05	35.50
(iii) Trade payables	13B		
(a) Total outstanding dues of micro enterprises and small enterprises		60.31	46.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,071.29	6,499.53
(iv) Other financial liabilities	13C	1,199.20	657.98
Other current liabilities	14	122.86	242.67
Provisions	11B	309.31	118.36
Income tax liabilities (net)		119.42	42.24
Total current liabilities		**16,004.37**	**17,685.50**
Total liabilities		**17,488.63**	**18,946.80**
Total equity and liabilities		**51,518.73**	**50,056.27**

Material accounting policies 2

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Mukesh Surana
Chief Financial Officer

Place: Hyderabad
Date: May 28, 2025

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Chaitanya Tummala
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	15	30,301.63	37,550.91
Other income	16	406.80	57.77
Total income		**30,708.43**	**37,608.68**
Expenses			
Cost of materials consumed	17	13,738.97	19,271.24
Changes in inventories of work-in-progress and finished goods	18	(297.98)	(202.07)
Employee benefits expenses	19	3,823.44	3,806.08
Finance costs	20	627.80	719.98
Depreciation and amortisation expense	21	1,462.30	1,438.48
Impairment losses on financial instruments	7	40.00	57.72
Other expenses	22	7,349.16	6,604.34
Total expenses		**26,743.69**	**31,695.77**
Profit before exceptional item and tax		**3,964.74**	**5,912.91**
Exceptional item	23	(307.50)	-
Profit before tax		**4,272.24**	**5,912.91**
Tax expense/(credit)			
(i) Current tax	24	1,098.79	1,506.05
(ii) Deferred tax	24	(19.91)	47.68
Total tax expense		**1,078.88**	**1,553.73**
Profit for the year		**3,193.36**	**4,359.18**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plan	28	20.92	(5.68)
Income tax relating to items that will not be reclassified to profit or loss	24	(5.27)	1.43
Net other comprehensive income/(loss) not to be reclassified to profit or loss		**15.65**	**(4.25)**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges	9	33.67	118.33
Income tax relating to items that will be reclassified to profit or loss	24	(8.47)	(29.78)
Net other comprehensive income to be reclassified to profit or loss		**25.20**	**88.55**
Other comprehensive income for the year		**40.85**	**84.30**
Total comprehensive income for the year		**3,234.21**	**4,443.48**
Earnings per share:			
Equity shares of par value of Rs. 1 each			
Basic (₹)	25	13.17	18.00
Diluted (₹)		13.17	17.99

Material accounting policies 2

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Mukesh Surana
Chief Financial Officer

Place: Hyderabad
Date: May 28, 2025

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Chaitanya Tummala
Company Secretary

Standalone Statement of Cash Flow for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities			
Profit before tax		**4,272.24**	**5,912.91**
Adjustments for :			
Depreciation and amortisation expense		1,462.30	1,438.48
Bad debts written off		17.03	-
Impairment losses on financial instruments		40.00	57.72
Allowance for doubtful advances		3.32	-
Loss on sale of property, plant and equipment (net)		18.24	23.20
Changes in fair value of cashflow hedges		108.82	161.08
Gain from sale of Investments		(0.14)	-
Gain from voluntary liquidation of subsidary		(4.04)	-
Net loss/(gain) on foreign exchange fluctuations (unrealised)		40.74	(80.41)
Share based payment expense		-	2.82
Finance costs		627.80	719.98
Interest income		(21.17)	(29.30)
Operating profit before working capital changes		**6,565.14**	**8,206.48**
Movements in working capital:			
(Increase)/decrease in trade receivables		3,215.25	(2,568.56)
(Increase)/decrease in inventories		(698.70)	147.99
(Increase)/decrease in other assets		144.30	(435.71)
Decrease in trade payables, other liabilities and provisions		(90.64)	(610.21)
Cash generated from operations		**9,135.35**	**4,739.99**
Direct taxes paid (net of refunds)		(908.29)	(1,570.70)
Net cash flow generated from operating activities	**(A)**	**8,227.06**	**3,169.29**
Cash flow used in investing activities			
Purchase of property, plant and equipment and intangible assets, including capital work-in-progress, intangible assets under development, capital advances and capital creditors		(2,108.95)	(1,204.78)
Proceeds from sale of property, plant & equipment		62.15	17.49
Proceeds from sale of investments		0.15	-
Proceeds from voluntary liquidation of subsidary		4.05	-
Investment in subsidiaries		(3,401.34)	(2,130.00)
Movement in other bank balances		(128.93)	161.43
Loans repaid by subsidiaries		27.48	99.38
Interest received		21.06	26.72
Net cash flow used in investing activities	**(B)**	**(5,524.33)**	**(3,029.76)**
Cash flow from/(used) in financing activities			
Proceeds from issuance of shares		49.98	31.62
Repayment of non-current borrowings		(997.94)	(1,016.81)
Proceeds from current borrowings		20,985.79	19,515.11
Repayments of current borrowings		(22,409.90)	(17,140.15)
Repayment of lease liabilities (including related interest)		(91.45)	(49.80)
Finance cost paid		(571.18)	(715.47)
Dividend paid on equity shares		(363.55)	(363.06)
Net cash flow (used in)/generated from financing activities	**(C)**	**(3,398.25)**	**261.44**
Net increase in cash and cash equivalents	**(A+B+C)**	**(695.52)**	**400.97**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(11.87)	12.36
Cash and cash equivalents at the beginning of the year		2,230.79	1,817.46
Cash and cash equivalents at the end of the year		**1,523.40**	**2,230.79**
Components of cash and cash equivalents:			
Cash on hand		1.12	1.19
Balances with banks			
On current accounts		71.27	281.58
On EEFC accounts		1,200.87	1,098.02
On deposit accounts		250.14	850.00
Total cash and cash equivalents (Refer note 7B)		**1,523.40**	**2,230.79**

Standalone Statement of Changes in Equity for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Equity Share Capital

Particulars	Balance at the beginning of the year	Shares issued during the year	Balance at the end of the year
March 31, 2025	242.37	0.17	242.54
March 31, 2024	242.04	0.33	242.37

Other Equity

Particulars	Reserves and Surplus				Other Comprehensive income		Total other Equity
	Capital Redemption reserve	Securities premium	Capital reserve	General reserve	Employee stock option plan	Retained earnings	Remeasurements of defined benefit plans	Effective portion of Cash flow hedges	
Balance at the beginning of the previous year	**13.35**	**1,487.70**	**191.75**	**3,065.32**	**134.29**	**22,086.49**	**(13.50)**	**(212.84)**	**26,752.57**
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	4,359.18	-	-	4,359.18
Other comprehensive income (net of tax)	-	-	-	-	-	-	(4.25)	88.55	84.30
Transactions with owners of the Company									
Dividends	-	-	-	-	-	(363.06)	-	-	(363.06)
Share based payment expense	-	-	-	-	2.82	-	-	-	2.82
Share premium on issue of equity shares on exercise of options	-	31.29	-	-	-	-	-	-	31.29
Balance at the end of the previous year	**13.35**	**1,518.99**	**191.75**	**3,065.32**	**137.11**	**26,082.61**	**(17.75)**	**(124.29)**	**30,867.10**
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	3,193.36	-	-	3,193.36
Other comprehensive income (net of tax)	-	-	-	-	-	-	15.65	25.20	40.85
Transactions with owners of the Company									
Dividends	-	-	-	-	-	(363.55)	-	-	(363.55)
Share premium on issue of equity shares on exercise of options	-	49.80	-	-	-	-	-	-	49.80
Balance at the end of the current year	**13.35**	**1,568.79**	**191.75**	**3,065.32**	**137.11**	**28,912.43**	**(2.10)**	**(99.09)**	**33,787.56**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Mukesh Surana
Chief Financial Officer

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: May 28, 2025

Standalone Statement of Cash Flow for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Change in liabilities arising from financing activities	Lease liabilities- Non Current and Current (Refer note 10B)	Borrowings - Non Current (Refer note 10A)*	Borrowings - Current (Excl. interest) (Refer note 13A)	Finance cost other than lease liabilities
Opening as on March 31, 2023	**122.56**	**2,477.40**	**6,630.79**	**19.91**
Finance cost	9.12	-	-	710.86
Repayments of borrowings	-	(1,016.81)	(17,140.15)	-
Proceeds from borrowings	-	-	19,515.11	-
Additions	25.76	-	-	-
Payment of lease liabilities	(49.80)	-	-	-
Changes in fair values	-	39.64	-	-
Finance cost paid	-	-	-	(715.47)
Effect of changes in foreign exchange rates	-	-	36.53	2.13
Closing as on March 31, 2024	**107.64**	**1,500.23**	**9,042.28**	**17.43**
Finance cost	56.24	-	-	571.56
Repayments of borrowings	-	(997.94)	(22,409.90)	-
Proceeds from borrowings	-	-	20,985.79	-
Additions	832.56	-	-	-
Payment of lease liabilities	(91.45)	-	-	-
Changes in fair values	-	14.85	-	-
Finance cost paid	-	-	-	(571.18)
Effect of changes in foreign exchange rates	-	-	(59.89)	(6.14)
Closing as on March 31, 2025	**904.99**	**517.14**	**7,558.28**	**11.67**

* Aforesaid reconciliation includes current maturities of non-current borrowings

The above Standalone statement of cash flow has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".
The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
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CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

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Mukesh Surana
Chief Financial Officer

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: May 28, 2025

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

1 Company overview

1.1 Reporting entity

Granules India Limited ("Granules" or "the Company") is a company domiciled in India with its registered office situated at 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad, Telangana. The Company has been incorporated under the provisions of Companies Act and its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is primarily involved in the manufacturing and selling of Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation intermediates (PFIs) and Finished Dosages (FDs).

1.2 Basis of preparation of standalone financial statements

a) Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the ‘Act’) and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time).

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date, March 31, 2025. These standalone financial statements were approved for issuance by the Company’s Board of Directors on May 28, 2025.

The standalone financial statements are presented in ₹ and all values are rounded to the nearest millions, except when otherwise indicated.

Details of the Company’s material accounting policies are included in Note 2.

b) Current versus non-current classification

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle.

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 12 months as its operating cycle.

c) Functional and presentation currency

These standalone financial statements are presented in Indian rupees (₹), which is also the functional currency of the Company.

d) Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities are measured at fair value or amortised cost.
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.
- Share based payments are measured at fair value.

e) Use of estimates and judgements

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 1.2(c) - Assessment of functional currency;
- Note 2(a) and 32 - Financial instruments;

Assumptions and estimation of uncertainties

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2025 is included in the following notes:

- Note 26 (a) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 27 - Share based payments.
- Note 28 - Measurement of defined benefit obligations : key actuarial assumptions.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

- Note 6 - Provision for inventories
- Note 2(d) - Useful lives of property, plant and equipment;
- Note 2(e) - Useful lives of Intangible assets;
- Note 7A - Provision for loss allowance on trade receivables
- Note 2(g)(ii) - Measurement of recoverable amount of cash generated units; impairment of tangible and intangible assets

f) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets. 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 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 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.

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.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 27 – share based payment; and
- Note 32 – financial instruments.

2 Material accounting policies

a. 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.

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and, measured at

- amortised cost;
- Fair value through other comprehensive income ('FVOCI') – debt investment;
- FVOCI – equity investment; or
- Fair value through profit and loss ('FVTPL')

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investment in Subsidiary:

The Company has elected to recognize its investments in subsidiaries at cost less accumulated impairment loss, if any in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost represents amount paid for acquisition of the said investments.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. The details of such investment are given in Note 4A. Refer to the accounting policies in (g)(i) Impairment of non-financial assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: subsequent measurement and gains and losses	
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

Derivative financial instruments are used to mitigate the risk of changes in exchange rates on foreign currency exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges:

Where a derivative or non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative or non-derivative financial liability is recognised in OCI and accumulated in other equity under the heading cash flow hedging reserve. Ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income, remains there until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in the statement of profit and loss.

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

b. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

c. Foreign currency

Transactions in foreign currencies are initially recorded at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of exchange at the reporting date.

Transactions in foreign currency are translated at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

d. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item or property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property plant and equipment is recognised in statement of profit and loss.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance under "non-current assets".

ii. Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method.

Asset Class	Useful Life
Freehold buildings	30 years
Lease hold improvements	Lease period
Plant and equipment including R&D equipment	7.5-20 years
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Data processing equipment	3-6 years

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

e. Intangible assets

Internally generated: Research and development

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii. Amortisation

Other intangible assets are amortised on a straight line basis over the estimated useful life as follows:

Asset Class	Useful Life
Computer software	3-10 years
Product and other related intangibles	3-10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the monthly moving weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

g. Impairment

i. Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, 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 is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months 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 assumes that the credit risk on a financial asset has increased significantly if it is more than the 270 days over and above the usual credit period.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due over a reasonable period of credit;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

In case of investments, the Company reviews its carrying value of investments carried at cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

ii. Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss."

h. Employee benefits

i. Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations beyond its monthly contributions.

ii. Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. 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 to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and 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 nonroutine settlements; and
- Net interest expense or income

When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

iii. Compensated Absence Policy

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

iv. Other long-term employee benefits

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at March 31st every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

v. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

vi. Share based compensation

The grant date fair value of options granted to employees is recognised as employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "employee stock option". No expense is recognised for options that do not ultimately vest because service conditions have not been met.

i. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities and contingent assets

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 are not recognised in the standalone financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. 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.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

j. Earnings per share ('EPS')

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

k. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Company operates in one reportable business segment i.e. "Pharmaceuticals".

l. Revenue

i. Sale of goods

Revenue from sale of goods is recognised when a promise in a customer contract(performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding applicable discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as GST where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

ii. Sales return allowances

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

iii. Export incentives

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

iv. Interest income or expense

Interest income or expense is recognised using the effective interest method on time proportion method.

v. Dividend income

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

m. Contract Balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii. Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (a) Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

n. Leases

Lessee

The Company's lease asset classes primarily consist of leases for buildings and plant and machinery.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirement of Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases with similar characteristics.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

a. Fixed payments including in-substance fixed payments;

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c. Amounts expected to be payable under a residual value guarantee; and

d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

o. Income tax

Income tax comprises current and deferred income tax. Income tax expense is recognised in statement of profit and loss or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

p. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are recognised as an expense in the period in which they are incurred.

q. Recent pronouncements

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, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 01, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in Standalone financial statements.

(i) Ind AS 117 Insurance Contracts

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after April 01, 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Company's Standalone financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after April 01, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's Standalone financial statements.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Ageing Schedule for Capital work -in -Progress as below

Particulars	March 31, 2025					March 31, 2024				
	Amount for a period of				Total	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,167.81	34.66	-	-	1,202.47	453.38	37.26	34.67	-	525.31
Total	**1,167.81**	**34.66**	**-**	**-**	**1,202.47**	**453.38**	**37.26**	**34.67**	**-**	**525.31**

i) There is no project which is temporarily suspended.

ii) Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling plans.

iii) Projects in progress are neither overdue nor exceeds its cost when compared to its original plan during the current or previous year.

iv) For details of security on certain property, plant and equipment, refer note 10A & 13A.

v) For contractual commitments - refer note 26(c).

vi) The Company has not revalued its property, plant and equipment during the current or previous year.

3B. Intangible assets - Reconciliation of carrying amount

Particulars	Software	Product and other related intangibles	Total
Gross block			
As at March 31, 2023	**214.38**	**1,316.00**	**1,530.38**
Additions	16.14	-	16.14
Disposals	-	-	-
As at March 31, 2024	**230.52**	**1,316.00**	**1,546.52**
Additions	25.38	-	25.38
Disposals	-	(179.85)	(179.85)
As at March 31, 2025	**255.90**	**1,136.15**	**1,392.05**
Accumulated amortisation			
As at March 31, 2023	**120.58**	**672.46**	**793.04**
Amortisation for the year	18.09	153.91	172.00
Disposals	-	-	-
As at March 31, 2024	**138.67**	**826.37**	**965.04**
Amortisation for the year	19.42	139.98	159.40
Disposals	-	(179.85)	(179.85)
As at March 31, 2025	**158.09**	**786.50**	**944.59**
Net block			
As at March 31, 2024	**91.85**	**489.63**	**581.48**
As at March 31, 2025	**97.81**	**349.65**	**447.46**

Intangible assets under development

Particulars	Total
At March 31, 2024	4.06
At March 31, 2025	**5.38**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

3A. Property, plant and equipment and capital work-in-progress - Reconciliation of carrying amount

Particulars	Freehold land	Freehold buildings	Lease Hold Improvements	Plant and equipment	Furniture and fittings	R&D Equipment	Office equipment	Data processing equipment	Vehicles	Total
Gross block										
At March 31, 2023	**396.33**	**5,492.39**	**47.88**	**12,991.61**	**290.05**	**520.28**	**163.39**	**251.93**	**72.39**	**20,226.25**
Additions	-	114.67	0.11	1,139.13	0.60	90.56	8.93	21.46	0.50	1,375.96
Disposals	-	-	-	(276.63)	(0.10)	(20.85)	(0.84)	-	(3.77)	(302.19)
At March 31, 2024	**396.33**	**5,607.06**	**47.99**	**13,854.11**	**290.55**	**589.99**	**171.48**	**273.39**	**69.12**	**21,300.02**
Additions	263.62	245.77	-	747.00	1.89	96.24	8.82	101.28	33.36	1,497.98
Disposals	-	-	-	(269.75)	(1.67)	(15.59)	(1.28)	(0.42)	(15.99)	(304.70)
At March 31, 2025	**659.95**	**5,852.83**	**47.99**	**14,331.36**	**290.77**	**670.64**	**179.02**	**374.25**	**86.49**	**22,493.30**
Accumulated depreciation										
As at March 31, 2023	**-**	**1,026.63**	**16.21**	**6,004.37**	**141.51**	**253.67**	**109.74**	**187.14**	**35.94**	**7,775.21**
Depreciation for the year	-	187.23	4.09	906.31	24.47	46.67	22.93	27.62	6.57	1,225.89
Disposals	-	-	-	(236.79)	(0.05)	(20.39)	(0.69)	-	(3.64)	(261.56)
At March 31, 2024	**-**	**1,213.86**	**20.30**	**6,673.89**	**165.93**	**279.95**	**131.98**	**214.76**	**38.87**	**8,739.54**
Depreciation for the year	-	191.70	4.09	914.11	22.05	53.14	16.12	32.42	6.49	1,240.12
Disposals	-	-	-	(207.33)	(0.91)	(10.50)	(1.12)	(0.42)	(4.10)	(224.38)
At March 31, 2025	**-**	**1,405.56**	**24.39**	**7,380.67**	**187.07**	**322.59**	**146.98**	**246.76**	**41.26**	**9,755.28**
Net block										
As at March 31, 2024	**396.33**	**4,393.20**	**27.69**	**7,180.22**	**124.62**	**310.04**	**39.50**	**58.63**	**30.25**	**12,560.48**
As at March 31, 2025	**659.95**	**4,447.27**	**23.60**	**6,950.69**	**103.70**	**348.05**	**32.04**	**127.49**	**45.23**	**12,738.02**

Capital work-in-progress	525.31
At March 31, 2024	1,202.47
At March 31, 2025	

Capital work -in -Progress- Movement

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning	525.31	634.60
Additions	2,175.14	1,266.67
Capitalised during the year	(1,497.98)	(1,375.96)
Balance at the end	**1,202.47**	**525.31**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Ageing Schedule for Intangible assets under development as below

Intangible assets under development	Amount in IUD for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
March 31, 2025					
Projects in Progress	5.38	-	-	-	5.38
Total	**5.38**	**-**	**-**	**-**	**5.38**
March 31, 2024					
Projects in Progress	4.06	-	-	-	4.06
Total	**4.06**	**-**	**-**	**-**	**4.06**

i) Projects in progress are neither overdue nor exceeds its cost when compared to its original plan during the previous year.

ii) There is no project which is temporarily suspended.

3C. Right-of-use assets

Particulars	Buildings	Computers	Total
Gross block			
As at March 31, 2023	**204.86**	**45.57**	**250.43**
Additions	-	25.76	25.76
Deletions	-	-	-
As at March 31, 2024	**204.86**	**71.33**	**276.19**
Additions	832.56	-	832.56
Deletions	-	-	-
As at March 31, 2025	**1,037.42**	**71.33**	**1,108.75**
Accumulated depreciation			
As at March 31, 2023	**108.24**	**32.61**	**140.85**
Depreciation for the year	29.23	11.36	40.59
Deletions	-	-	-
As at March 31, 2024	**137.47**	**43.97**	**181.44**
Depreciation for the year	52.74	10.04	62.78
Deletions	-	-	-
As at March 31, 2025	**190.21**	**54.01**	**244.22**
Net block			
As at March 31, 2024	**67.39**	**27.36**	**94.75**
As at March 31, 2025	**847.21**	**17.32**	**864.53**

i) The aggregate depreciation expense on assets taken on lease is included under depreciation and amortisation expense in the Statement of Profit and Loss.

4. Financial Assets-Non Current

4A. Investments

Particulars	As at March 31, 2025	As at March 31, 2024
Investments		
Investments in equity instruments		
a. Unquoted equity shares		
In wholly owned subsidiaries (cost) (refer note 31)		
Granules USA Inc., USA - 700,000 (March 31, 2024 : 700,000) common stock of USD 0.10 each fully paid up (refer note 36)	11.63	11.63
Granules Pharmaceuticals Inc., USA - 4,180 (March 31, 2024 : 4,180) common stock of USD 1 each fully paid up (refer note 36)	5,645.37	5,645.37

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Granules Europe Limited, UK - Nil (March 31, 2024 : 100) equity shares of 1 Pound each fully paid up (Dissolved w.e.f March 18, 2025)	-	0.01
Granules Life Sciences Private Limited, India - 330,000,000 (March 31, 2024 : 225,000,000) equity shares of ₹ 10/- each fully paid up	3,300.00	2,250.00
Granules CZRO Private Limited, India - 185,000,000 (March 31, 2024 : 149,865,750) equity shares of ₹. 10/- each fully paid up	1,850.00	1,498.66
Granules Peptides Private Limited, India - 200,000,000 (March 31, 2024 : Nil) equity shares of ₹.10/- each fully paid up	2,000.00	-
In Others (Fair value through OCI)		
Jeedimetla Effluent Treatment Ltd - 15,142 (March 31, 2024 : 15,142) equity shares of ₹. 10/- each fully paid up	5.96	5.96
Patancheru Envirotech Ltd - 34,040 (March 31, 2024 :34,040) equity shares of ₹. 10/- each fully paid up	0.34	0.34
RVK Energy Private Ltd - 1,282,000 (March 31, 2024: 1,282,000) equity shares of ₹ 10/- each fully paid up	2.00	2.00
b. In Quoted equity shares (Fair value through OCI)		
Ipca Laboratories Limited - Nil (March 31, 2024 : 100) equity shares	-	0.01
Total	**12,815.30**	**9,413.98**
Aggregate book value of quoted investments	-	0.01
Aggregate market value of quoted investments	-	0.12
Aggregate value of unquoted investments	12,815.30	9,413.97
Aggregate amount of impairment in value of investments	-	-

4B. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	173.20	153.77
Total	**173.20**	**153.77**

5. Other assets

5A. Non-current (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	394.07	260.74
Total	**394.07**	**260.74**

5B. Current (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with government authorities	997.81	1,166.21
Prepaid expenses	276.79	233.13
Export incentives receivable	130.04	122.36
Advance to suppliers		
Considered good	288.15	367.98
Considered doubtful	34.68	31.36
	1,727.47	**1,921.04**
Less : Allowance for doubtful advances*	**(34.68)**	**(31.36)**
Total	**1,692.79**	**1,889.68**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

***Details of movement in allowance for doubtful advances :**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	(31.36)	(31.36)
Provision made during the year, net of reversals	(3.32)	-
Amounts written off during the year	-	-
Balance at the end of the year	**(34.68)**	**(31.36)**

6. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials*	2,800.79	2,633.20
Packing materials	322.69	267.76
Work-in-progress	827.14	920.08
Finished goods**	1,894.80	1,503.88
Stores, spares and consumables	639.43	461.23
Total	**6,484.85**	**5,786.15**

*includes raw materials-in-transit ₹. 108.11 millions (March 31, 2024 - ₹. 209.52 millions).

**includes finished goods-in-transit ₹. 693.08 millions (March 31, 2024 - ₹. 350.95 millions)

i) For details of inventories hypothecated against current borrowings refer note 10A & 13A.

7. Financial assets

7A. Trade receivables (Unsecured)

Particulars		As at March 31, 2025	As at March 31, 2024
(a) Considered good		13,018.11	16,224.48
Less : Allowance for doubtful trade receivables/credit loss		(72.83)	(45.75)
	(A)	**12,945.28**	**16,178.73**
(b) Significant increase in credit risk		132.34	274.63
(c) Credit impaired		156.50	154.44
Less : Allowance for doubtful trade receivables/credit loss		(288.84)	(275.92)
	(B)	**-**	**153.15**
Total	(C=A+B)	**12,945.28**	**16,331.88**

Refer note 31 for trade receivables due from related parties.

Trade receivables are non-interest bearing and are generally with credit period upto 180 days from the date of invoice or bill of lading date.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 33.

For receivables secured against borrowings, refer note 10A & 13A.

Details of changes in allowance for doubtful trade receivables/ credit losses :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	321.67	263.95
Provision made during the year, net of reversals	40.00	57.72
Balance at the end of the year	**361.67**	**321.67**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Ageing Schedule for Trade receivables as below

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
	Not Due	< 6 months	6 months - 1 year	1-2 Years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables - considered good	10,521.34	2,400.78	95.99	-	-	-	13,018.11
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	72.52	28.70	23.36	7.76	132.34
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	156.50	156.50
Total	**10,521.34**	**2,400.78**	**168.51**	**28.70**	**23.36**	**164.26**	**13,306.95**

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not Due	< 6 months	6 months - 1 year	1-2 Years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables - considered good	13,361.45	2,711.47	151.56	-	-	-	16,224.48
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	77.81	100.15	65.28	31.39	274.63
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	29.55	124.89	154.44
Total	**13,361.45**	**2,711.47**	**229.37**	**100.15**	**94.83**	**156.28**	**16,653.55**

7B. Cash and bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
i) Cash on hand	1.12	1.19
ii) Balance with banks:		
On current accounts	71.27	281.58
On EEFC accounts	1,200.87	1,098.02
Deposits with original maturity of less than 3 months	250.14	850.00
Total -(i+ii)	**1,523.40**	**2,230.79**
iii) Bank balances other than cash and cash equivalents stated above		
Unpaid dividend account	4.06	4.85
Margin money deposits (refer note {a} below)	175.90	45.50
Total -(iii)	**179.96**	**50.35**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

a) Margin money deposits are subject to first charge against bank guarantees and/or letters of credit obtained.

7C. Loans (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
- Loans to related parties (refer note 31)		
Granules Europe Limited	-	27.33
Total	**-**	**27.33**

(i) The above Loan carried the rate equivalent to prevailing Government bond rate closest to the tenor of the loan on the date of loan given to Granules Europe limited. These loans are given for the purpose of setting up, modernisation and general corporate purpose of the subsidiaries outside India.

(ii) Maximum amount outstanding at any time during the year

Particulars	March 31, 2025	March 31, 2024
Granules Europe Limited	27.33	121.46

7D. Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on deposits	-	7.64
Derivative financial instruments	-	2.38
Advance to employees	11.63	11.05
Receivable from related parties (refer note 31)	31.23	1.97
Total	**42.86**	**23.04**

8. Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized		
505,000,000 (March 31, 2024: 505,000,000) equity shares of ₹.1/- each	505.00	505.00

Particulars	As at March 31, 2025	As at March 31, 2024
Issued, subscribed and fully paid up		
242,543,716 fully paid up equity shares of ₹.1/- each (March 31, 2024 : 242,368,716 equity shares of ₹.1/- each)	242.54	242.37

8.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No.	₹	No.	₹
At the beginning of the year	24,23,68,716	242.37	24,20,42,756	242.04
Add: Shares issued on exercise of employee stock options	1,75,000	0.17	3,25,960	0.33
Outstanding at the end of the year	**24,25,43,716**	**242.54**	**24,23,68,716**	**242.37**

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

8.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividends in Indian rupees. 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

8.3 Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Dr. Krishna Prasad Chigurupati	7,67,99,111	31.66%	8,42,99,111	34.78%
Life Insurance Corporation of India	1,27,82,570	5.27%	71,34,284	2.94%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

8.4 Disclosure of shareholding of promoters

As at March 31, 2025

Shares held by Promoters

Promoter Name	As at March 31, 2025		As at March 31, 2024		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Dr.Krishna Prasad Chigurupati	7,67,99,111	31.66%	8,42,99,111	34.78%	(3.12%)
Uma Devi Chigurupati	92,40,761	3.81%	92,40,761	3.81%	-
Priyanka Chigurupati	18,18,683	0.75%	18,18,683	0.75%	-
Pragnya Chigurupati	18,42,035	0.76%	18,42,035	0.76%	-
Suseela Devi Chigurupati	65,000	0.03%	65,000	0.03%	-
Nikhila Reddy Yedaguri	29,500	0.01%	29,500	0.01%	-
Tyche Investments Private Limited	35,52,557	1.46%	35,52,557	1.47%	(0.01%)
Santhi Sree Ramanavarapu	8,55,878	0.35%	8,55,878	0.35%	-

As at March 31, 2024

Shares held by Promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Dr.Krishna Prasad Chigurupati	8,42,99,111	34.78%	8,42,99,111	34.83%	(0.05%)
Uma Devi Chigurupati	92,40,761	3.81%	92,40,761	3.82%	(0.01%)
Priyanka Chigurupati	18,18,683	0.75%	18,18,683	0.75%	-
Pragnya Chigurupati	18,42,035	0.76%	18,42,035	0.76%	-
Suseela Devi Chigurupati	65,000	0.03%	65,000	0.03%	-
Nikhila Reddy Yedaguri	29,500	0.01%	29,500	0.01%	-
Tyche Investments Private Limited	35,52,557	1.47%	35,52,557	1.47%	-
Venkata Mahesh Krishna Narra	-	0.00%	5,000	0.00%	-
Santhi Sree Ramanavarapu	8,55,878	0.35%	8,55,878	0.35%	-

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

8.5 Employee stock option plan

For details of shares reserved for issue under Employee stock option scheme (ESOS) of the Company, refer note 27.

8.6 There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

8.7 Buy back of Shares

During the year ended March 31, 2023, the Company has bought back 6,250,000 equity shares of ₹ 1 each, representing 2.52% of total number of equity share fully paid-up for an aggregate amount of ₹. 2,500 millions (excluding taxes and transaction cost) at ₹. 400 per share. The equity shares bought back were extinguished on 19 October 2022. An amount corresponding to face value of the shares bought back was transferred to Capital Redemption Reserve were adjusted against General reserve.

9. Other equity

(Refer disclosure of other equity in Statement of changes in equity)

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

General reserve

It represents the portion of the net profit which the Company has transferred, before declaring dividend pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

Share based payment reserve

The Company has established various equity settled share based payment plans for certain categories of employees of the Company. Refer Note 27 for further details on these plans.

Capital reserve

Capital reserve arising pursuant to scheme of amalgamation.

Dividends

The following dividends were paid by the Company

Particulars	March 31, 2025	March 31, 2024
₹.1.50 per equity share (March 31, 2024 : ₹ 1.50 per share)	363.55	363.06
	363.55	**363.06**

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

Particulars	March 31, 2025	March 31, 2024
₹.1.50 per equity share (March 31, 2024 : ₹ 1.50 per share)	363.82	363.55
	363.82	**363.55**

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Analysis of items of OCI, net of tax

Remeasurements of defined benefit plans (refer note - 28)

Remeasurements of defined benefit plans comprises actuarial gains and losses and return on plan assets.

Effective portion of Cash flow hedges

Cash flow hedge represents the cumulative effective portion of gains or losses (net of taxes) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

The reconciliation of cash flow hedge reserve for the year ended is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	(124.29)	(212.84)
Gain/(loss) recognised in other comprehensive income during the year	(75.15)	(42.75)
Amount reclassified to statement of profit and loss during the year	108.82	161.08
Tax impact on the above	(8.47)	(29.78)
Balance at the end of the year	**(99.09)**	**(124.29)**

10. Non-current financial liabilities

10A. Borrowings

Particulars	Non-current portion		Current maturities (refer Note 13A)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Term Loans (Secured)				
Loans from bank/financial institution	-	500.08	517.14	1,000.15
Total	**-**	**500.08**	**517.14**	**1,000.15**

The details of secured loans are as under:

Name of the bank/ financial institutions	Outstanding as on March 31, 2025	Outstanding as on March 31, 2024	Sanction Amount	No of Installments	Commencement of Installments	Rate of Interest
International Finance Corporation (Refer note (i) and (ii))	349.36	1,013.67	EUR 45.00 Mn	12 half yearly equal installments of EUR 3.75 Mn	Jan-20	6M Euribor + 1.00% p.a. (March 31, 2024 : 6M Euribor +1.00% p.a.)
Hong Kong and Shanghai Banking Corporation (Refer note (i) and (ii))	167.78	486.56	EUR 16.20 Mn	9 half yearly installments of EUR 1.8 Mn	Jul-21	6M Euribor +0.80 % p.a. (March 31, 2024: 6M Euribor +0.80 % p.a.)

i) All secured term loans are secured by a paripassu first charge on the property, plant and equipment of present and future of the Company and a paripassu second charge of the current assets of present and future of the Company.

ii) The Company has not defaulted on payment of principal and interest thereon on above term loans.

10B. The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current lease liabilities	864.94	72.14
Current lease liabilities	40.05	35.50
Total	**904.99**	**107.64**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The following is the movement in lease liabilities :

Balance as at April 1, 2023	**122.56**
Additions	25.76
Finance cost accrued for the year	9.12
Deletions	-
Payment of lease liabilities	(49.80)
Balance as at March 31, 2024	**107.64**
Additions	832.56
Finance cost accrued for the year	56.24
Deletions	-
Payment of lease liabilities	(91.45)
Balance as at March 31, 2025	**904.99**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2025	March 31, 2024
Less than one year	108.37	42.55
One to five years	326.96	72.65
More than five years	1,637.16	-
Total	**2,072.49**	**115.20**

i) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii) The effective interest rate for lease liabilities is 8- 9%, with maturity between 2026-2045.

iii) Amount recognised in Statement of profit and loss related to leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets (refer note 21)	62.78	40.59
Interest expense on lease liabilities (refer note 20)	56.24	9.12
Expense relating to short-term leases (refer note 22)	92.91	70.88
Total amount recognised in statement of profit and loss	**211.93**	**120.59**

11. Provisions

11A. Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (refer note 28(b))	315.03	287.01
Compensated absences*	-	91.60
Total	**315.03**	**378.61**

11B. Current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (refer note 28(b))	70.92	66.09
Compensated absences	164.82	48.70
Provision for Sale return*	73.57	3.57
Total	**309.31**	**118.36**

***Details of movement in provision for Compensated absences are as follows:**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	140.30	116.69
Provision made during the year, net of reversals	75.54	69.33
Provision used during the year	(51.02)	(45.72)
Balance as at end of the year	**164.82**	**140.30**

Details of movement in provision for Sale return are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	3.57	37.14
Provision made during the year, net of reversals	70.00	-
Provision used during the year	-	(33.57)
Balance as at end of the year	**73.57**	**3.57**

12. Deferred tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
Property, plant and equipment and intangible assets	660.61	625.54
Right of use assets	217.58	23.85
Gross deferred tax liabilities	**878.19**	**649.39**
Deferred tax assets		
Employee benefit obligations	143.84	128.98
Allowance for doubtful debts / credit loss	91.02	80.96
Allowance for doubtful advances	8.73	7.89
Lease liabilities	227.77	27.09
Cash flow hedges	33.33	41.80
Others	69.21	52.20
Gross deferred tax assets	**573.90**	**338.92**
Deferred tax liabilities (net)	**304.29**	**310.47**

(refer note 24 for movement in deferred tax balances)

13. Current financial liabilities

13A. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Current borrowings - repayable on demand from banks		
Packing credit loans (secured) [refer note (i) & (ii)]	4,790.32	5,512.85
Packing credit loans (unsecured) [refer note (ii)]	2,616.91	3,529.43

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Other borrowings (unsecured)	157.56	-
Current maturities of non-current borrowings (refer note 10A)	517.14	1,000.15
	8,081.93	**10,042.43**

i) All secured current borrowings from banks are secured by a paripassu first charge on the current assets of present and future of the Company and a paripassu second charge of the property, plant and equipment of present and future of the Company.

ii) The Company has outstanding foreign currency denominated loans carrying an interest rate ranging 5.25% to 5.50% p.a benchmark linked to SOFR (March 31, 2024: 5.7% to 5.9% p.a) from banks. The facility is repayable within 180 days from the date of its origination.

iii) The Company's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

iv) As on March 31, 2025, the Company has obtained various borrowings from banks on basis of security of current assets wherein the returns/statements filed with the banks are in agreement with the audited / unaudited books of accounts.

13B. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables {refer note (b) below}		
Total outstanding dues of micro enterprises and small enterprises {refer note (a) below}	60.31	46.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,071.29	6,499.53
Total	**6,131.60**	**6,546.32**

Note (a) :

i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	60.31	46.79
	Interest due on the above	-	-
ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Development Act (MSMED), 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v)	The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

Note (b) :

The Company's exposure to currency and liquidity risks related to trade payables is dislclosed in Note 33.

Refer Note 31 for trade payable to related parties.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Note (c) :

Ageing Schedule for Trade payables as below:

As on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	60.31	-	-	-	60.31
ii) Others	5,854.73	147.86	47.30	21.40	6,071.29
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-
Total	**5,915.04**	**147.86**	**47.30**	**21.40**	**6,131.60**

As on March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	46.79	-	-	-	46.79
ii) Others	6,440.19	35.14	16.90	7.30	6,499.53
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-
Total	**6,486.98**	**35.14**	**16.90**	**7.30**	**6,546.32**

13C. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Capital creditors	491.28	265.05
Employee benefits payable	360.52	239.90
Unclaimed dividend	4.30	5.08
Interest accrued but not due on borrowings	-	17.43
Derivative liabilities	63.07	-
Others*	280.03	130.52
Total	**1,199.20**	**657.98**

* Includes payable to customers

14. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note 15)	38.93	168.16
Statutory liabilities	83.93	74.51
Total	**122.86**	**242.67**

15. Revenue from contracts with customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	29,675.73	37,401.33
Other operating revenue (refer note 31)*	625.90	149.58
Total	**30,301.63**	**37,550.91**

*includes technical & manufacturing know-how services, sale of scrap and export incentives

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The operations of the Company are limited to one segment viz. pharmaceuticals products. Revenue from contract with customers is from sale of manufactured goods. Sale of products are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

Reconciliation of revenue recognised with contract price

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per the contracted price	30,606.84	37,683.38
Adjusted for :		
Less : Sales returns	(297.40)	(120.68)
Less : Rebates, fees and discounts	(7.81)	(11.79)
Total revenue from contracts with customers	**30,301.63**	**37,550.91**

The following table shows the distribution of the Company's revenue based on the geographical location of the customers:

Region	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	2,309.24	2,256.84
Outside India	27,992.39	35,294.07
Total revenue from contracts with customers	**30,301.63**	**37,550.91**

Timing of revenue recognition	For the year ended March 31, 2025	For the year ended March 31, 2024
Goods transferred at a point in time	29,761.14	37,482.29
Services transferred at a over the time	540.49	68.62
Total	**30,301.63**	**37,550.91**

Details of contract liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note 14)	38.93	168.16
	38.93	**168.16**

The Contract liabilities are primarily relate to advance consideration received from customers for sale of products, for which revenue is recorded at a point in time. The amount of ₹. 149.19 millions (March 31, 2024 -₹. 1.25 millions) included in contract liablities as at March 31, 2024 has been recognised as revenue in the current year.

16. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on		
Deposits with banks	13.21	11.44
Others *	7.96	17.86
Gain on disposal of Subsidiary	4.04	-
Gain on sale of Investments	0.14	-
Management and support activity (refer note 31)	277.22	-
Other non-operating income (refer note 31) #	104.23	28.47
Total	**406.80**	**57.77**

*includes interest income on security deposits and others

includes proceeds from insurance claim, crosscharge income and others

17. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	2,900.96	3,323.75
Add: Purchases	13,961.49	18,848.45
	16,862.45	**22,172.20**
Less: Inventory at the end of the year	3,123.48	2,900.96
Cost of materials consumed	**13,738.97**	**19,271.24**

18. Changes in inventory of work-in-progress and finished goods

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year		
Finished goods	1,894.80	1,503.88
Work-in-progress	827.14	920.08
	2,721.94	**2,423.96**
Inventories at the beginning of the year		
Finished goods	1,503.88	1,375.71
Work-in-progress	920.08	846.18
	2,423.96	**2,221.89**
Total	**(297.98)**	**(202.07)**

19. Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus (refer note 28(b))	3,164.58	3,082.49
Managerial remuneration (refer note 31)	401.42	476.20
Contribution to provident and other funds (refer note 28(a))	123.20	118.47
Staff welfare expenses	134.24	126.10
Employee stock option scheme (refer note 27)	-	2.82
Total	**3,823.44**	**3,806.08**

20. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense		
- Term loan	49.70	91.09
- Working capital	441.25	494.82
- Others	2.53	2.51
Interest on lease liabilities (refer note 10B)	56.24	9.12
Bank charges and other borrowing costs	78.08	122.44
Total	**627.80**	**719.98**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

21. Depreciation and amortisation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation	1,302.90	1,266.48
Amortisation	159.40	172.00
Total	**1,462.30**	**1,438.48**

22. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spares	202.49	242.28
Power and fuel	903.05	930.13
Effluent treatment expenses	199.46	201.56
Analytical fees	58.53	45.56
Other manufacturing expenses	35.82	99.82
Repairs and maintenance		
Plant and machinery	576.50	495.68
Buildings	41.75	78.64
Others	341.94	259.42
Rent	92.91	70.88
Rates and taxes	284.67	198.91
Printing and stationery	22.56	21.36
Insurance	226.67	171.51
Directors sitting fees (refer note 31)	3.46	3.68
Commission to Directors (refer note 31)	16.58	19.55
Remuneration to statutory auditors (refer note 30)	7.67	7.88
Sales commission	237.61	348.20
Carriage outwards and clearing charges	1,320.66	1,274.70
Research & Development expenses (refer note 29)	1,724.61	1,328.44
Business promotion expense	50.14	42.09
Communication expenses	15.81	13.79
Consultancy charges	524.33	168.03
Travelling and conveyance	172.22	142.16
Advertisement charges	0.75	0.89
Donations	0.55	30.21
Contribution to political parties*	-	130.00
Loss on sale of property, plant and equipment (net)	18.24	23.20
Bad debts written off	17.03	-
Allowance for doubtful advances	3.32	-
Corporate social responsibility expenditure (refer note 22A)	118.91	128.24
Foreign exchange loss (net)	3.40	18.58
Miscellaneous expenses	127.52	108.95
Total	**7,349.16**	**6,604.34**

*Includes ₹. 30.00 millions contribution made to electoral bonds and ₹. 100.00 millions contribution made to political party - Bharatiya Janata party during the previous year

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

22A. Details of Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Gross amount required to be spent by the Company during the year:	118.89	128.20
(b) Amount spent during the year ended		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above in cash	118.91	128.24
(c) Amount unspent during the year ended:	-	-
(d) Total of Previous years Shortfall	-	-
(e) Reason for Shortfall	NA	NA
(f) Nature of CSR Activities	Skill Development, Preventive healthcare, Safe drinking water and Promoting education	
(g) Details of Related party transactions		
Granules Trust (refer Note 31)	102.30	114.70
(h) Where a provision is made with respect to a liability by entering into a contractual obligation, the movements in the provision during the year shall be shown seperately.	Not Applicable	Not Applicable
(i) Excess amount spent		
Opening Balance	0.21	0.17
Amount required to be spent during the year	118.89	128.20
Amount spent during the year	118.91	128.24
Closing balance	**0.23**	**0.21**

23. Exceptional Items

During the year ended March 31, 2024, the Company had encountered an incident related to information security which impacted the revenue and profitability of the Company. The Company continues to take adequate security measures to reduce the likelihood of a similar occurrence in the future.

During the year ended March 31, 2025, the Company has received insurance claim for business interruption due to the above mentioned incident. The same has been recognised as an income and disclosed separately as exceptional items.

24. Tax expense

(a) Tax expense:

Amount recognised in profit (or) loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	1,098.79	1,506.05
Deferred tax benefit		
Attributable to the origination and reversal of temporary differences	(19.91)	47.68
Total tax expense recognised in statement of profit & loss	**1,078.88**	**1,553.73**

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax (A)	4,272.24	5,912.91
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	1,075.24	1,488.16
Adjustment of tax relating to earlier periods	(19.95)	-

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Permanent differences	23.15	72.60
Others	0.44	(7.03)
Tax expense	**1,078.88**	**1,553.73**
Effective tax rate	**25.25%**	**26.28%**

Movement in temporary differences:

Particulars	Balance as at April 1, 2023	Recognised in statement of profit or loss during the previous year	Recognised in OCI during the previous year	Balance as at March 31, 2024	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at March 31, 2025
On account of depreciation and amortization	(583.45)	(42.09)	-	(625.54)	(35.08)	-	(660.61)
On account of right of use assets	(27.58)	3.73	-	(23.85)	(193.73)	-	(217.58)
On account of employee benefits	105.47	22.08	1.43	128.98	20.13	(5.27)	143.84
On account of allowance for doubtful debts	66.43	14.53	-	80.96	10.06	-	91.02
On account of allowance for doubtful advances	7.89	-	-	7.89	0.84	-	8.73
On account of leased liability	30.85	(3.76)	-	27.09	200.68	-	227.77
On account of cash flow hedges	71.58	-	(29.78)	41.80	-	(8.47)	33.33
On account of others	94.37	(42.17)	-	52.20	17.01	-	69.21
Total	**(234.44)**	**(47.68)**	**(28.35)**	**(310.47)**	**19.91**	**(13.74)**	**(304.29)**

Income tax recognised in other comprehensive income

Particulars	For the Year ended March 31, 2025			For the Year ended March 31, 2024		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Fair value changes on cash flow hedges	33.67	(8.47)	25.20	118.33	(29.78)	88.55
Re-measurement of defined benefit liability	20.92	(5.27)	15.65	(5.68)	1.43	(4.25)
Total	**54.59**	**(13.74)**	**40.85**	**112.65**	**(28.35)**	**84.30**

25. Earning per equity share (EPS)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings		
Profit for the year	3,193.36	4,359.18
Weighted average shares used for computing of basic EPS	242.41	242.21
Add: Effect of dilution		
Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	0.09	0.14
Weighted average shares used for computing diluted EPS	242.50	242.35
Earnings per share		
- Basic (in ₹)	13.17	18.00
- Diluted (in ₹)	13.17	17.99

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

26. Contingent liabilities and commitments

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Contingent liabilities:		
Claims arising from disputes not acknowledged as debts - direct taxes	21.11	21.11
Claims arising from disputes not acknowledged as debts - indirect taxes	9.29	9.29

The Company is involved in taxation matters that arise from time to time in the ordinary course of business. Management is of the view that above claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

The Company has reviewed all its pending litigations including legal proceedings initiated in the ordinary course of business except as disclosed above. The Company does not expect the outcome of these proceedings to have a material and adverse effect on its financial position and accordingly no adjustment in respect thereof is expected.

Particulars	As at March 31, 2025	As at March 31, 2024
(b) Guarantees		
Corporate guarantees given in favour of banks towards loans obtained by Wholly owned subsidiary company		
- Granules USA, Inc.	1,281.88	1,250.20
- Granules Life Sciences Private Limited	-	189.63

The Company has provided a Letter of Comfort to MUFG Bank Ltd. in respect of a Standby Letter of Credit (SBLC) facility of USD 1 million issued by MUFG Bank Ltd. on behalf of wholly owned subsidiary, Granules Pharmaceuticals Inc. to Senn Chemicals AG, for the procurement of raw materials and capital expenditure. The amount utilised under the said SBLC as at March 31, 2025, is USD 0.43 million.

Particulars	As at March 31, 2025	As at March 31, 2024
(c) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,575.54	445.65

27. Share based payments

Granules India Limited – Employee Stock Option Scheme 2009 & 2017 (ESOS-2009 & ESOS-2017)

Pursuant to the decision of the shareholders at their meeting held on 25th September, 2009, the Company has formulated an Employee Stock Option Scheme 2009 to be administered by the Nomination & Remuneration Committee of the Board of Directors. This scheme has been formulated in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Under the Plan, options not exceeding 10,048,070 have been reserved to be issued to the eligible directors and employees (Employees under permanent employment of the Company and its subsidiary company(ies), including eligible Directors of the Company and its subsidiary, whether whole time or not, whether working in India or abroad or otherwise, except the Promoter Directors and Promoter group employees) with each option conferring a right upon the Optionee to apply for one equity share.

The exercise price of the options is the closing market price of the shares on that stock exchange where there is highest trading volume prior to the date of the grant i.e. the date of the Compensation & Remuneration Committee / Board meeting at which the grant of options is approved.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Under the above Scheme till date, options were granted in eight tranches. The options granted under the Plan shall start vesting in tranches after one year from the date of grant and not more than four years under Grant VIII from the respective date of grant of the options.

Pursuant to the decision of the shareholders at their meeting held on 28th September, 2017, the Company has formulated an Employee Stock Option Scheme 2017 to be administered by the Nomination & Remuneration Committee of the Board of Directors. This scheme has been formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations') for the time being in force and as may be modified from time to time.

Under the Plan, options not exceeding 11,435,100 have been reserved to such person(s) who are in the permanent employment of the Company, whether working in India or out of India and to the Directors of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as 'Eligible Employees'), except persons who are promoters or belong to the promoter group or a Director who either himself or through his relative or through any Body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company and Independent Directors, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOS 2017.

Under the above Scheme till date, options were granted in one tranche viz. Grant I. The options granted under the Plan shall start vesting in tranches after one year from the date of grant and not more than three years under Grant I from the respective date of grant of the options.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of exercise price of options granted, the expected term of an option (or "option life") is estimated based on the vesting term, contractual term, as well as expected exercise behavior of the employees receiving the option. In respect of fair market value of the options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, of the observed market prices of the Company's publicly traded equity shares. Dividend yield of the options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control.

The details of activity under the Scheme are summarised below :

Particulars	For the year ended March 31, 2025			
	Shares arising out of options	Range of Exercise prices	Weighted Average exercise price	Weighted Average remaining useful life (months)
Options outstanding at the beginning of the year	3,00,000	97.00 to 353.00	228.33	14
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	1,75,000	97.00 to 117.00	105.86	-
Less: Lapsed/Cancelled/Surrendered during the Year	-	-	-	-
At the end of the year	1,25,000	97.00 to 353.00	81.48	3
Exercisable at the end of the year	1,25,000	97.00 to 353.00	148.20	3

Particulars	For the year ended March 31, 2024			
	Shares arising out of options	Range of Exercise prices	Weighted Average exercise price	Weighted Average remaining useful life (months)
Options outstanding at the beginning of the year	6,45,960	97.00 to 353.00	157.99	26
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	3,25,960	97.00	97.00	-
Less: Lapsed/Cancelled during the Year	20,000	97.00	97.00	-
At the end of the year	3,00,000	97.00 to 353.00	228.33	14
Exercisable at the end of the year	3,00,000	97.00 to 353.00	228.33	14

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant I (ESOS 2017)	Grant VIII (ESOS 2009)
Date of grant	Sept 23, 2020	June 18, 2019
Dividend yield	1.00%	1.00%
Expected volatility	75.01%	45.25%
Risk-free interest rate	5.20%	7.17%
Weighted average share price of ₹	460.41	116.70
Exercise price of ₹	353.00	97.00
Expected life of options granted in years	3	4

The estimated fair value of stock options is charged to profit or loss account:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employee stock option scheme (refer note 19)	-	2.82

28. Employee benefits

a) Defined contribution plan

Particulars	March 31, 2025	March 31, 2024
Contribution to provident fund	117.85	112.93
Contribution to employee state insurance	5.35	5.54
Total	**123.20**	**118.47**

b) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on March 31, 2023	**302.44**	**(17.54)**	**284.89**
Current service cost	52.80	-	52.80
Interest expense/(income)	21.65	(0.65)	21.00
Amount recognised in Statement of profit and loss	**74.45**	**(0.65)**	**73.80**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/ (income)			
Actuarial (gain)/loss arising from:			
Demographic assumptions	6.00	-	6.00
Financial assumptions	(2.19)	0.46	(1.73)
Experience adjustment	1.41	-	1.41
Amount recognised in other comprehensive income	**5.22**	**0.46**	**5.68**
Employers contribution	-	-	-
Benefits paid	(28.98)	17.71	(11.27)
Balance as on March 31, 2024	**353.13**	**(0.02)**	**353.10**
Current service cost	53.61	-	53.61
Interest expense/(income)	24.68	(0.01)	24.67
Amount recognised in Statement of profit and loss	**78.29**	**(0.01)**	**78.28**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	-	-
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	3.55	0.13	3.68
Experience adjustment	(24.61)	-	(24.61)
Amount recognised in other comprehensive income	**(21.06)**	**0.13**	**(20.93)**
Employers contribution	-	-	-
Benefits paid	(24.50)	-	(24.50)
Balance as at March 31, 2025	**385.86**	**0.09**	**385.95**

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current	315.03	287.01
Current	70.92	66.09
	385.95	**353.10**

(ii) The assumptions used for gratuity valuation are as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest rate	7.03%	7.24%
Discount rate	7.03%	7.24%
Expected return on plan assets	7.03%	7.24%
Salary increase	8% to 10.0%	8% to 10.0%
Attrition rate	20.00%	20.00%
Retirement age - Years	60	60

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 5.00 years (March 31, 2024: 5.00 years)

The defined benefit plan expose the Company to actuarial risks, such as longevity and interest rate risk.

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate	(16.32)	17.93	(14.92)	16.40
Salary increase	18.04	(17.04)	16.70	(15.77)
Attrition rate	(1.51)	1.58	(1.29)	1.34

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

As of March 31, 2025 and March 31, 2024, the plan assets have been invested in Life Insurance Corporation.

The expected contributions to the plan for the next annual period amounts to ₹ 385.65 millions (March 31, 2024: ₹ 353.10 millions).

Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1st Following year	71.32	66.47
2nd Following year	60.13	53.69
3rd Following year	56.22	51.19
4th Following year	52.36	47.91
5th Following year	46.13	42.92
Years 6 to 10	279.57	262.79

29. Research and development expenses

Details of research and development expenses incurred during the year is given below

Particulars	As at March 31, 2025	As at March 31, 2024
Capital	96.24	90.67
Revenue (included in note 22)		
Cost of materials consumed	161.27	126.34
Employee benefit expenses	455.64	381.82
Other expenses		
Analytical fees	242.18	280.83
Rates and taxes	314.78	140.55
Consumption of stores and spares	195.55	192.30
Consultancy Charges	192.80	61.33
Other research and development expenses	162.39	145.27
Total	**1,724.61**	**1,328.44**
Total	**1,820.85**	**1,419.11**

30. Remuneration to statutory auditors

Particulars	March 31, 2025	March 31, 2024
As Auditor (excluding GST)		
Statutory audit	3.60	3.60
Limited review	2.40	2.40
Certification	1.20	1.48
Reimbursement of expenses	0.47	0.40
Total	**7.67**	**7.88**

31. Related party disclosures

31A. Names of related parties and description of relationship

	Name of the related party	Relationship
1	Granules USA, Inc.	Wholly owned subsidiary company
2	Granules Pharmaceuticals, Inc.	Wholly owned subsidiary company
3	Granules Europe Limited (Dissolved w.e.f March 18, 2025)	Wholly owned subsidiary company
4	Granules Life Sciences Private Limited	Wholly owned subsidiary company
5	Granules Consumer Health, Inc	Wholly owned step down subsidiary company
6	Granules CZRO Private Limited	Wholly owned subsidiary company

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Name of the related party		Relationship
7	Granules Peptides Private Limited (Incorporated on March 04, 2025)	Wholly owned subsidiary company
8	Product Armor Packaging Private Limited	Enterprises over which key management personnel or their relatives exercise significant influence
9	Granules Trust	Enterprises over which key management personnel or their relatives exercise significant influence
10	Chigurupati Family Trust	Enterprises over which key management personnel or their relatives exercise significant influence
Key managerial personnel		
Directors		
1	Dr. Krishna Prasad Chigurupati	Chairman and Managing Director
2	Dr. K.V.S Ram Rao	Joint Managing Director and Chief Executive Officer
3	Mrs. Uma Devi Chigurupati	Executive Director
4	Mr. Harsha Chigurupati	Executive Director
5	Ms. Priyanka Chigurupati (from January 23, 2024)	Executive Director
Others		
6	Mr. Mukesh Surana	Chief Financial Officer
7	Mrs. Chaitanya Tummala	Company Secretary
Non-executive directors		
1	Mr. K. B. Sankar Rao	Non-Executive Director
2	Mr. A. Arun Rao (upto March 31, 2024)	Independent Director
3	Mr. Arun Sawhney	Independent Director
4	Mr. Saumen Chakraborty	Independent Director
5	Mrs. Sucharita Rao Palepu	Independent Director
6	Mr. Kapil Kumar Mehan (from May 05, 2023)	Independent Director
7	Dr. Sethurathnam Ravi (from January 23, 2024)	Independent Director
8	Mr. Rajiv Pritidas Kakodkar (from February 20, 2024)	Independent Director

31B. Transactions during the year

Particulars	March 31, 2025	March 31, 2024
a) Subsidiary companies including step down subsidiary		
i) Granules USA, Inc.		
Sale of goods	1,999.54	2,482.01
Reimbursements to	48.65	206.02
Services rendered	6.84	5.29
Commission on corporate guarantee	2.70	1.97
Purchases of goods	-	1.04
Sales Commission	93.96	127.37
ii) Granules Pharmaceuticals, Inc.		
Sale of goods	8,000.81	9,617.13
Purchase of goods	327.96	165.58
Technical know-how, manufacturing support, and R&D activity	369.62	-
Management and administrative support activity	277.22	-
Reimbursements		
to Granules Pharmaceuticals, Inc	75.19	125.88
from Granules Pharmaceuticals, Inc	0.32	2.69
Services rendered	15.97	7.63
iii) Granules Europe Limited		
Interest on loans given	-	2.42
Sales commission accrued	11.46	24.75
Loans repayments received	27.48	99.38

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
iv) Granules Life Sciences Private Limited		
Sale of goods	222.31	1.44
Reimbursements from	104.14	-
Sale of assets	48.12	-
Investment in subsidiary	1,050.00	1,650.00
Services rendered	1.47	1.58
Commission on corporate guarantee	3.75	-
Corporate guarantee	-	189.63
v) Granules CZRO Private Limited		
Investment in subsidiary*	351.34	998.66
Reimbursements	-	6.13
Purchases	0.10	-
Reimbursements from	1.37	-
Sale of assets	0.02	-
Share application money pending allotment	-	-
vi) Granules Consumer Health, Inc		
Sale of goods	3,879.12	3,155.45
Reimbursements to	20.37	46.09
Reimbursements from	-	-
Purchase of goods	-	3.67
vii) Granules Peptides Private Ltd		
Investment in subsidiary	2,000.00	-
Reimbursements	26.56	-

*Includes shares issued for a consideration other than cash amounting to ₹. 418.66 millions during the previous year

Particulars	March 31, 2025	March 31, 2024
b) Transactions with enterprises over which key management personnel - directors or their relatives exercise significant influence		
i) Granules Trust		
Contribution towards Corporate social responsibility	102.30	114.70
ii) Product Armor Packaging Private Limited		
Purchases of goods	359.83	303.69
ii) Chigurupati Family Trust		
Rent	20.45	-
Rent deposit	30.67	-
c) Transactions with key managerial personnel - directors and their relative		
i) Dr.Krishna Prasad Chigurupati		
Managerial Remuneration	236.84	316.37
ii) Dr. K.V.S Ram Rao		
Managerial Remuneration	93.52	96.55
iii) Mrs. Uma Devi Chigurupati		
Managerial Remuneration	23.68	31.64
iv) Mr.Harsha Chigurupati		
Managerial Remuneration	23.68	31.64
iv) Ms.Priyanka Chigurupati		
Managerial Remuneration	23.68	-
v) Non-Executive Directors		
Sitting fees	3.46	3.68
Commission	16.58	19.55
d) Transactions with key managerial personnel - others		
i) Salary	40.64	41.89

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

31C. Closing balances

Particulars	March 31, 2025	March 31, 2024
a) Subsidiary Companies including step down subsidiary		
i) Granules USA, Inc.		
Investment in subsidiary	11.63	11.63
Trade receivables*	1,387.35	2,067.67
Trade payables*	-	29.79
Sales commission payable	78.04	-
Corporate guarantee given*	1,281.88	1,250.20
Other payables*	44.97	20.50
Other receivables*	17.41	5.25
ii) Granules Pharmaceuticals, Inc.		
Investment in subsidiary	5,645.37	5,645.37
Trade receivables*	4,967.92	4,970.74
Trade payables*	190.92	151.63
Other Payables*	2.50	50.11
Other Receivables*	26.77	10.24
iii) Granules Europe Limited		
Investment in subsidiary	-	0.01
Loan to subsidiaries*	-	27.33
iv) Granules Life Sciences Private Limited		
Investment in subsidiary	3,300.00	2,250.00
Trade receivables	182.29	1.69
Other payables	104.14	-
Other Receivables	1.59	1.45
Corporate guarantee given	-	189.63
v) Granules CZRO Private Limited		
Investment in subsidiary	1,850.00	1,498.66
Other Receivables	1.39	-
Trade Payables	0.12	-
vi) Granules Consumer Health, Inc		
Trade receivables*	1,345.70	3,011.94
Other Payables*	15.87	-
Trade payables*	-	3.69
vii) Granules Peptides Private Limited		
Investment in subsidiary	2,000.00	-
Other receivables	26.56	-
b) .Enterprises over which key management personnel or their relatives exercise significant influence		
i) Product Armor Packaging Private Limited		
Trade payables	3.35	3.23
ii) Chigurupati Family Trust		
Rent deposit receivable	30.67	-
c) Transactions with key managerial personnel - directors and their relative		
i) Managerial commission payable	87.58	5.70

i) 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.

ii) *Foreign currency balances included above have been shown at restated values arrived by using the closing exchange rates

iii) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

iv) There were no loans or advances in the nature of loans granted by the Company to promoters, Directors, Key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that were repayable on demand or without specifying any terms or period of repayment.

32. Fair Values

The management assessed that loans, cash and cash equivalents, trade receivables, current borrowings, trade payables and other current 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.

Fair Valuation measurement hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Particulars	As at March 31, 2025						
	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Financial assets							
a) Financial assets not measured at fair value							
Non-current investments	-	-	12,807.00	12,807.00	-	-	-
Other non-current financial assets	-	-	173.20	173.20	-	-	-
Trade receivables	-	-	12,945.28	12,945.28	-	-	-
Cash and cash equivalents	-	-	1,523.40	1,523.40	-	-	-
Bank balances other than cash and cash equivalents	-	-	179.96	179.96	-	-	-
Other current financial assets	-	-	42.86	42.86	-	-	-
b) Financial assets measured at fair value through OCI							
Non-current investments	-	8.30	-	8.30	-	8.30	-
	-	**8.30**	**27,671.70**	**27,680.00**	**-**	**8.30**	**-**
ii) Financial liabilities							
a) Financial liabilities not measured at fair value							
Non-current lease liabilities	-	-	864.94	864.94			
Trade payables	-	-	6,131.60	6,131.60	-	-	-
Other current financial liabilities	-	63.07	1,136.13	1,199.20	-	-	-
Current lease liabilities	-	-	40.05	40.05	-	-	-
Current borrowings(including current maturities of non current borrowings)	-	-	8,081.93	8,081.93	-	-	-
	-	**63.07**	**16,254.65**	**16,317.72**	**-**	**-**	**-**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2024						
	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Financial assets							
a) Financial assets not measured at fair value							
Non-current investments	-	-	9,405.67	9,405.67	-	-	-
Other non-current financial assets	-	-	153.77	153.77	-	-	-
Trade receivables	-	-	16,331.88	16,331.88	-	-	-
Cash and cash equivalents	-	-	2,230.79	2,230.79	-	-	-
Bank balances other than cash and cash equivalents	-	-	50.35	50.35	-	-	-
Current loans	-	-	27.33	27.33	-	-	-
Other current financial assets	-	-	20.66	20.66	-	-	-
b) Financial assets measured at fair value through OCI							
Non-current investments	-	8.31	-	8.31	0.01	8.30	-
Other current financial assets	-	2.38	-	2.38	-	2.38	-
	-	**10.69**	**28,220.45**	**28,231.14**	**0.01**	**10.68**	**-**
ii) Financial liabilities							
a) Fina.ncial liabilities not measured at fair value							
Non-current borrowings	-	-	500.08	500.08	-	-	-
Trade payables	-	-	6,546.32	6,546.32	-	-	-
Other current financial liabilities	-	-	657.98	657.98	-	-	-
Current borrowings(including current maturities of non current borrowings)	-	-	10,042.43	10,042.43	-	-	-
	-	**-**	**17,746.81**	**17,746.81**	**-**	**-**	**-**

33. 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.

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 analyzing credit limits and 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, investments, loans, 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.

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position 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. Company's exposure to customers is diversified and major customer contributes around 59% and 62% of outstanding trade receivable as of March 31, 2025 and March 31, 2024. The maximum exposure to credit risk was ₹ 12,988.14 millions and ₹ 16,379.87 millions as of March 31, 2025 and March 31, 2024 respectively, being the total of the carrying amount of balances with trade receivables, loans and other financial assets excluding derivative assets.

Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits of customer. Limits and scoring attributed to customers are reviewed at periodic intervals. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Credit risk on financial assets, except trade receivables is limited as the Company generally transacts with banks and financial institutions with high credit rating assigned by international and domestic credit rating agencies. Investment primarily include investment in subsidiaries whose carrying value is evaluated by the management at the end of every reporting period for impairment. As at the end of the reporting period, there are no indicators of impairment of investments.

Expected credit loss for trade receivables as at March 31, 2025

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Gross carrying amount of trade receivables	10,521.34	2,400.78	168.51	28.70	23.36	164.26	13,306.95
Expected Credit losses (Loss allowance provision)	-	(34.98)	(110.37)	(28.70)	(23.36)	(164.26)	(361.67)
Net carrying amount of trade receivables	10,521.34	2,365.80	58.14	-	-	-	12,945.28

Expected credit loss for trade receivables as at March 31, 2024

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Gross carrying amount of trade receivables	13,361.45	2,711.47	229.37	100.15	94.83	156.28	16,653.55
Expected Credit losses (Loss allowance provision)	-	(19.89)	(32.41)	(58.09)	(55.00)	(156.28)	(321.67)
Net carrying amount of trade receivables	13,361.45	2,691.58	196.96	42.06	39.83	-	16,331.88

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 provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2025:

Particulars	Carrying value	Less than 1 year	1-2 years	2-5 years	> 5 years	Total
Non current borrowings and interest (including current maturities)	517.14	517.14	-	-	-	517.14
Current borrowings (excluding current maturities of non-current borrowings)	7,564.79	7,564.79	-	-	-	7,564.79

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Carrying value	Less than 1 year	1-2 years	2-5 years	> 5 years	Total
Lease liabilities	904.99	108.37	100.21	226.74	1,637.16	2,072.48
Trade payables	6,131.60	6,131.60	-	-	-	6,131.60
Other financial liabilities	1,199.20	1,199.20	-	-	-	1,199.20

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024:

Particulars	Carrying value	Less than 1 year	1-2 Years	2-5 years	>5 years	Total
Non current borrowings and interest (including current maturities)	1,500.23	1,009.89	501.44	-	-	1,511.33
Current borrowings (excluding current maturities of non-current borrowings)	9,042.28	9,042.28	-	-	-	9,042.28
Lease liabilities	107.64	42.55	41.62	31.03	-	115.20
Trade payables	6,546.32	6,546.32	-	-	-	6,546.32
Other financial liabilities	657.98	657.98	-	-	-	657.98

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. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. All the debt obligations of the Company are with floating interest rates which is subject to exposure to the risk of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on borrowings, as follows:

Particulars	Change in basis points	March 31, 2025	March 31, 2024
USD - Borrowings	+100	(74.07)	(90.42)
	-100	74.07	90.42
EURO - Borrowings	+100	(5.17)	(15.00)
	-100	5.17	15.00

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or 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. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD/EURO against the functional currencies of the Company.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The year end foreign currency exposures are as under -

(All amounts are in Indian Rupees Millions)

Particulars	March 31, 2025		
	USD	EURO	Others
Assets			
Trade receivables	11,669.99	558.53	25.40
Other financial assets	6.76	0.53	-
Cash and cash equivalents	1,172.67	28.20	0.01
Total	**12,849.42**	**587.25**	**25.40**
Liabilities			
Trade payables	3,896.09	14.09	4.78
Other financial liabilities	271.73	95.07	-
Current borrowings	7,407.23	517.14	-
Total	**11,575.05**	**626.30**	**4.78**

(All amounts are in Indian Rupees Millions)

Particulars	March 31, 2024		
	USD	EURO	Others
Assets			
Trade receivables	15,133.20	854.78	49.16
Loans	-	-	27.33
Other financial assets	2.75	1.40	-
Cash and cash equivalents	1,064.97	29.53	0.08
Total	**16,200.92**	**885.71**	**76.57**
Liabilities			
Non current Borrowings	-	500.08	-
Trade payables	2,583.57	29.65	1.46
Other financial liabilities	138.05	95.98	0.05
Current Borrowings	9,042.28	1,000.15	-
Total	**11,763.90**	**1,625.86**	**1.51**

Sensitivity analysis:

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollars (USD) and Euro exchange rates, with all other variables held constant. The impact on the Company's profit after tax and equity is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in basis points	USD	EURO
March 31, 2025	+100	9.53	(0.29)
	(100)	(9.53)	0.29
March 31, 2024	+100	33.19	(5.54)
	(100)	(33.19)	5.54

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally actuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. The cost of raw materials forms the largest portion of the Company's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2025, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. Further, Euro denominated debt are designated as hedging instruments in cash flow hedges of forecast sales in Euro. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts and loans match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts and loans are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Company is holding the following foreign exchange forward contracts

Particulars	Maturity			
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
As at March 31, 2025				
Foreign exchange forward contracts (highly probable forecast sales)				
Notional amount (in ₹ Millions)	8,177.45	-	-	8,177.45
Average forward rate (₹ / USD)	85.96	-	-	85.96
Euro denominated debt (highly probable forecast sales)				
Notional amount (in ₹ Millions)	427.40	-	-	427.40
Average forward rate (₹ / Euro)	77.01	-	-	77.01
As at March 31, 2024				
Foreign exchange forward contracts (highly probable forecast sales)				
Notional amount (in ₹ Millions)	4,300.79	-	-	4,300.79
Average forward rate (₹ / USD)	83.84	-	-	83.84
Euro denominated debt (highly probable forecast sales)				
Notional amount (in ₹ Millions)	854.50	427.40	-	1,281.89
Average forward rate (₹ / Euro)	77.01	77.01	-	77.01

The impact of the hedging instruments on the balance sheet is, as follows:

Particulars	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
As at March 31, 2025				
Forward exchange contracts	8,177.45	63.07	Derivative instruments under current financial liabilities	60.69
Euro denominated debt	517.14	517.14	Non-current borrowings and Short-term borrowings	(27.02)

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
As at March 31, 2024				
Forward exchange contracts	4,300.79	2.38	Derivative instruments under current financial assets	(3.11)
Euro denominated debt	1,500.23	1,500.23	Non-current borrowings and Short-term borrowings	121.44

The impact of the hedged item on the balance sheet is, as follows:

Particulars	Change in fair value used for measuring ineffectiveness for the period	Effective portion of cash flow hedge	Cost of cashflow hedge
As at March 31, 2025			
Highly probable forecast sales	33.67	33.67	-
As at March 31, 2024			
Highly probable forecast sales	118.33	118.33	-

The effect of the cash flow hedge in the statement of profit and loss is, as follows:

Particulars	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in the statement of profit and loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit and loss
For the year ended March 31, 2025						
Highly probable forecast sales	33.67	-	-	-	108.82	Revenue from operations
For the year ended March 31, 2024						
Highly probable forecast sales	118.33	-	-	-	161.08	Revenue from operations

34. Segment reporting

A. Basis for segmentation

The operations of the Company are limited to one segment viz. Pharmaceutical products including ingredients and intermediaries. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information of the Company on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

B. Segment information for secondary segment reporting (by geographical segment)

The Company has reportable geographical segments based on location of its customers:

(i) Revenue from customers within India – Domestic

(ii) Revenue from customers outside India – Exports

Revenue from one external customer does not exceed 10% of Company's total revenue from operations during the current or previous year. Revenue from subsidiaries is disclosed in note 31.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The Company is engaged in the manufacture of Pharmaceuticals, which in the context of Ind AS 108 is considered only business segment.

Particulars	March 31, 2025			March 31, 2024		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue from operations	27,992.39	2,309.24	30,301.63	35,294.07	2,256.84	37,550.91
Non-current assets (refer note - i)	-	15,651.93	15,651.93	-	14,026.82	14,026.82

Note:

i) Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, right-of-use assets, intangible assets, intangible assets under development and other non-current assets.

35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by equity. Net debt consists of borrowings including interest accrued on borrowings, lease liabilities, less cash and cash equivalents and other bank balances.

Particulars	March 31, 2025	March 31, 2024
Borrowings including interest accrued on borrowings and lease liabilities	8,986.92	10,667.58
Less: cash and cash equivalents and other bank balances	(1,703.36)	(2,281.14)
Net debt	**7,283.56**	**8,386.44**
Equity	242.54	242.37
Other equity	33,787.56	30,867.10
Total equity	**34,030.10**	**31,109.47**
Capital gearing ratio	0.21	0.27

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

36. Subsequent event

No significant subsequent events have been observed till May 28, 2025 which may require any additional disclosure or an adjustment to the standalone financial statements other than the items mentioned below

a) Proposed dividend

Refer note 9

b) Acquisition of Senn Chemicals AG

The Company has entered into a Share Purchase Agreement ("SPA") for the acquisition of Senn Chemicals AG on February 21, 2025. The Company has incorporated Granules Peptides Private Limited ("GPPL") (wholly owned subsidiary in India) for the purpose of this acquisition on March 04, 2025. The closing of the acquisition was subject to certain conditions which were subsequently completed on April 10, 2025.

Senn Chemicals AG, founded in 1963 is headquartered in Dielsdorf, Switzerland. It is a privately held Peptide CDMO company that specializes in custom peptide development and manufacturing, supporting global clients across Pharmaceuticals, Cosmetics and Theragnostic industries, from early development to commercial production.

c) Merger of Granules USA Inc., with Granules Pharmaceuticals Inc.

Granules USA Inc., was merged with Granules Pharmaceuticals Inc., USA both being the wholly owned subsidiaries of the Company with effect from April 01, 2025.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

37. Financial Ratios

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reason for variance
Current Ratio	22,869.14	16,004.37	1.43	1.49	-4%	NA
Debt Equity Ratio	8,081.93	34,030.10	0.24	0.34	-30%	Reduction due to repayment of long-term borrowings
Debt Service Coverage Ratio	5,486.26	1,717.19	3.19	3.72	-14%	NA
Return on Equity Ratio	3,193.36	32,569.79	10%	15%	-35%	Lower net profit compared to previous year
Inventory Turnover Ratio	30,301.63	6,135.50	4.94	6.41	-23%	NA
Trade Receivables Turnover Ratio	30,301.63	14,638.58	2.07	2.50	-17%	NA
Trade Payables Turnover Ratio	13,961.49	6,338.96	2.20	2.69	-18%	NA
Net capital turnover ratio	30,301.63	6,864.77	4.41	4.34	2%	NA
Net profit ratio	3,193.36	30,301.63	11%	12%	-9%	NA
Return on Capital employed	4,592.54	41,012.49	11%	18%	-37%	Lower operating profit compared to previous year
Return on investment - Treasury	13.21	674.44	2%	1%	96%	Increase due to higher average invested funds deployed during the current year

Basis for Calculating above Ratios as below	
1. Current Ratio	Current Assets/Current liabilities
2. Debt -Equity Ratio	Total borrowing (current + non current)/Shareholder's Equity
3. Debt Service Coverage Ratio	Earnings available for debt service /Debt Service
4. Return on equity	Net Profit after Tax/Average Shareholder's Equity
5. Inventory Turnover Ratio	Revenue from operations/Average Inventory
6. Trade Receivables Turnover Ratio	Revenue from operations/Average Trade Receivable
7. Trade Payables Turnover Ratio	Net Purchases/Average Trade Payables
8. Net Capital Turnover Ratio	Revenue from operations/Working Capital (Current assets less Current liabilities)
9. Net Profit Ratio	Net profit after tax /Revenue from operations
10. Return on Capital Employed	Earnings before interest and Tax/Average Capital employed (Total assets less current liabilities less cash and cash equivalents plus current borrowings)
11. Return on investment - Treasury	Interest generated from Invested funds/ Average invested funds in treasury investments

38. Other Statutory information

i) There are no proceedings initiated or pending against the Company as at March 31, 2025, under Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder (As amended in 2016).

ii) The Company does not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the 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 Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(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.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

vii) 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.

viii) The Company does not have 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).

ix) 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).

x) Title deeds of all immovable properties were held in the name of the Company.

As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Mukesh Surana
Chief Financial Officer

Place: Hyderabad
Date: May 28, 2025

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Chaitanya Tummala
Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Granules India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Granules India Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 for the financial year ended March 31, 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue from operations: (refer note 2 (l) to the consolidated financial statements): Revenue from sale of goods is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group records product sales net of estimated chargebacks, rebates, discounts, returns and other related charges. Control is usually transferred, in accordance with the delivery terms agreed with the customers. Further, the Group has sales contracts with customers have a variety of different terms relating to the recognition of revenue, chargebacks, rebates, discounts, returns and other related charges which are deducted from the gross revenue to arrive at Revenue from sale of goods. We identified the recognition of revenue from sale of goods as a key audit matter because: a) The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., upon shipment, delivery to, upon receipt of goods by the customer. The risk is, therefore, that revenue may not get recognized in the correct period. b) Accrual towards chargebacks, rebates, discounts, returns and other related charges is complex and requires significant judgments and estimates in relation to contractual agreements / commercial terms. Any change in these estimates can have a significant financial impact. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', has been determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures, among others included the following: • Assessed the Group's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of key internal controls related to revenue recognition. • We selected sample of transactions (including year-end testing of cut-off transactions) and tested the underlying documents, including customer contracts / sales order, invoices and shipping documents to assess and analyze the timing of recognition of revenue and contractual terms; Performed analytical procedures and tested journal entries over revenue as compared to previous periods to identify any unusual variances. • Obtained an understanding of the management's process for revenue recognition, judgments in estimation and accounting treatment of chargebacks, rebates, discounts, returns and other related charges; • Obtained management workings for amounts recognised towards chargebacks, rebates, discounts, returns and other related charges during the year and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents; • Analysed the historical pattern of chargebacks, the inventory information and performed retrospective reviews in order to validate management's assumptions and compared the assumptions in respect of rebates, discounts, allowances and returns to current trends. • Assessed the relevant disclosures made in the consolidated financial statements.

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

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated 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 and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 or business activities within the Group of which we are the independent auditors and whose financial information we have audited, 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 entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 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 and other financial information, in respect of 1 subsidiary, whose financial statements include total assets of Rs 2,006.46 million as at March 31, 2025, and total revenues of Rs Nil and net cash inflows of Rs 2,006.46 million for the year ended on that date. Those financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of Rs Nil as at March 31, 2025, and total revenues of Rs 11.72 million and net cash outflows of Rs 23.87 million for the year ended on that date. Those unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act and of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2025 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 of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph, refer to our separate Report in "**Annexure 2**" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 26 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 33 to the consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2025.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed

funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. As stated in Note 9 to the consolidated financial statement:

   a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

   b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Kabra
Partner
Membership Number: 102328
UDIN: 25102328BMOPZU1615

Place of Signature: Hyderabad, India
Date: May 28, 2025

Annexure 1 referred to the Independent Auditor's Report

Re: Granules India Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding 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:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Kabra
Partner
Membership Number: 102328
UDIN: 25102328BMOPZU1615

Place of Signature: Hyderabad, India
Date: May 28, 2025

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Granules India Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Granules India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 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 controls 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, the Group, which are companies incorporated in India, have, maintained 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 31,2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Kabra
Partner
Membership Number: 102328
UDIN: 25102328BMOPZU1615

Place of Signature: Hyderabad, India
Date: May 28, 2025

Consolidated Balance Sheet as at March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3A	20,220.59	17,310.62
Capital work-in-progress	3A	4,369.48	2,595.43
Intangible assets	3B	2,090.42	2,395.31
Intangible assets under development	3B	32.45	121.56
Right-of-use assets	3C	1,953.65	1,250.24
Financial assets			
(i) Investments	4A	220.39	215.15
(ii) Other financial assets	4B	205.11	167.03
Deferred tax assets	12B	678.31	371.04
Income tax assets (net)		23.85	291.48
Other non-current assets	5A	1,576.55	1,441.48
Total non-current assets		**31,370.80**	**26,159.34**
Current assets			
Inventories	6	13,428.19	13,005.45
Financial assets			
(i) Trade receivables	7A	9,422.18	9,858.33
(ii) Cash and cash equivalents	7B	4,661.14	3,811.00
(iii) Bank balances other than cash and cash equivalents stated above	7B	1,302.61	52.85
(iv) Other financial assets	7C	14.50	29.03
Other current assets	5B	2,326.19	2,293.82
Total current assets		**31,154.81**	**29,050.48**
Total assets		**62,525.61**	**55,209.82**
Equity and liabilities			
Equity			
Equity share capital	8	242.54	242.37
Other equity	9	36,913.24	32,013.07
Total equity		**37,155.78**	**32,255.44**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10A	3,115.11	689.71
(ii) Lease liabilities	10B	1,591.92	831.98
Provisions	11A	317.60	378.80
Deferred tax liabilities (net)	12A	313.59	230.96
Total non-current liabilities		**5,338.22**	**2,131.45**
Current liabilities			
Financial liabilities			
(i) Borrowings	13A	9,742.75	11,542.55
(ii) Lease liabilities	10B	97.79	86.40
(iii) Trade payables	13B		
(a) Total outstanding dues of micro enterprises and small enterprises		64.14	46.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,196.55	7,448.47
(iv) Other financial liabilities	13C	2,269.13	1,262.96
Other current liabilities	14	162.01	261.31
Provisions	11B	316.82	118.36
Income tax liabilities (net)		182.42	56.09
Total current liabilities		**20,031.61**	**20,822.93**
Total liabilities		**25,369.83**	**22,954.38**
Total equity and liabilities		**62,525.61**	**55,209.82**

Material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Mukesh Surana
Chief Financial Officer

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: May 28, 2025

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	15	44,816.08	45,063.67
Other income	16	129.19	44.02
Total income		**44,945.27**	**45,107.69**
Expenses			
Cost of materials consumed	17	17,249.37	22,082.21
Changes in inventories of work-in-progress and finished goods	18	7.62	(1,869.71)
Employee benefits expenses	19	6,598.04	5,978.57
Finance costs	20	1,032.38	1,058.21
Depreciation and amortisation	21	2,255.01	2,073.32
Impairment losses on financial instruments	7	23.36	50.41
Other expenses	22	11,485.33	10,262.39
Total expenses		**38,651.11**	**39,635.40**
Profit before exceptional item, tax		**6,294.16**	**5,472.29**
Exceptional item	23	(307.50)	-
Profit before tax		**6,601.66**	**5,472.29**
Tax expense/(credit)			
(i) Current tax	24	1,828.03	1,652.27
(ii) Deferred tax	24	(241.53)	(233.08)
Total tax expense		**1,586.50**	**1,419.19**
Profit for the year		**5,015.16**	**4,053.10**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plan	28	20.67	(5.68)
Income tax relating to items that will not be reclassified to profit or loss	24	(5.29)	1.43
Net other comprehensive income/(loss) not to be reclassified to profit or loss		**15.38**	**(4.25)**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges	9	33.67	118.33
Gain/(loss) arising on translation of foreign operations		229.65	120.70
Income tax relating to items that will be reclassified to profit or loss	24	(8.47)	(29.78)
Net other comprehensive income to be reclassified to profit or loss		**254.85**	**209.25**
Other comprehensive income/(loss) for the year		**270.23**	**205.00**
Total comprehensive income for the year		**5,285.39**	**4,258.10**
Earnings per share:			
Equity shares of par value of ₹ 1 each			
Basic (₹)	25	20.69	16.73
Diluted (₹)		20.68	16.72

Material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Mukesh Surana
Chief Financial Officer

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: May 28, 2025

Consolidated Statement of Cash Flow for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities			
Profit before tax		**6,601.66**	**5,472.29**
Adjustments for :			
Depreciation and amortisation expense		2,255.01	2,073.32
Bad debts written off		43.23	24.36
Impairment losses on financial instruments		23.36	50.41
Allowance for doubtful advances		3.32	-
Loss on sale of property, plant and equipment (net)		24.88	23.20
Changes in fair value of cashflow hedges		108.82	161.08
Gain from sale of investments		(0.14)	-
Loss/(Gain) on foreign exchange fluctuations (unrealised)		44.96	(77.42)
Share based payment expense		-	2.82
Settlement of employee stock options		(57.04)	-
Finance costs		1,032.38	1,058.21
Interest income		(37.43)	(27.97)
Operating profit before working capital changes		**10,043.01**	**8,760.30**
Movements in working capital:			
(Increase)/decrease in trade receivables		358.84	(307.02)
Increase in inventories		(205.69)	(1,407.30)
Increase in other assets		(130.16)	(710.20)
(Decrease)/increase in trade payables, other liabilities and provisions		37.19	(38.66)
Cash generated from operations		**10,103.19**	**6,297.12**
Direct taxes paid (net of refunds)		(1,437.53)	(1,902.98)
Net cash flow generated from operating activities	**(A)**	**8,665.66**	**4,394.14**
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets, including capital work-in-progress, intangible assets under development, capital advances and capital creditors		(5,716.94)	(3,805.76)
Proceeds from sale of investments		0.15	-
Proceeds from sale of property, plant & equipment		17.03	17.49
Movement in other bank balances		(1,249.06)	158.93
Interest received		35.96	27.74
Net cash flow used in investing activities	**(B)**	**(6,912.86)**	**(3,601.60)**
Cash flow from financing activities			
Proceeds from issuance of equity shares		49.98	31.62
Repayment of non current borrowings		(997.94)	(1,016.81)
Proceeds from non current borrowings		2,938.28	189.63
Proceeds of current borrowings		21,070.41	19,515.11
Repayment of current borrowings		(22,409.90)	(17,140.15)
Repayment of lease liability (including related interest)		(177.70)	(113.00)
Finance cost paid		(1,034.64)	(1,026.70)
Dividend paid on equity shares		(363.55)	(363.06)
Net cash flow (used in)/generated from financing activities	**(C)**	**(925.06)**	**76.64**
Net increase in cash and cash equivalents	**(A+B+C)**	**827.74**	**869.18**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		22.40	26.25
Cash and cash equivalents at the beginning of the year		3,811.00	2,915.57
Cash and cash equivalents at the end of the year		**4,661.14**	**3,811.00**
Components of cash and cash equivalents:			
Cash on hand		1.20	1.23
Balances with banks			
On current accounts		1,001.32	1,711.38
On EEFC accounts		1,200.87	1,098.02
On deposit accounts		2,457.75	1,000.37
Total cash and cash equivalents (refer note 7B)		**4,661.14**	**3,811.00**

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Equity Share Capital

Particulars	Balance at the beginning of the year	Shares issued during the year	Balance at the end of the year
March 31, 2025	**242.37**	**0.17**	**242.54**
March 31, 2024	242.04	0.33	242.37

Other Equity

Particulars	Reserves and Surplus					Other Comprehensive income			Total attributable to owners of the company
	Capital Redemption reserve	Securities premium	Capital reserve	General reserve	Employee stock option Plan	Retained earnings	Remeasurements of defined benefit plans	Effective portion of Cash flow hedges	Foreign currency translation reserve	
Balance at the beginning of the previous year	**13.35**	**1,487.70**	**191.75**	**3,065.32**	**180.21**	**22,301.80**	**(13.24)**	**(212.84)**	**1,092.99**	**28,107.05**
Profit for the year	-	-	-	-	-	4,053.10	-	-	-	4,053.10
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(4.25)	88.55	120.70	205.00
Transactions with owners, recorded directly in equity										
Equity shares issued during the year	-	31.29	-	-	-	-	-	-	-	31.29
Dividends	-	-	-	-	-	(363.06)	-	-	-	(363.06)
Transaction costs in relation to issue of equity shares	-	-	-	-	-	(23.13)	-	-	-	(23.13)
Share based payment	-	-	-	-	2.82	-	-	-	-	2.82
Balance at the end of the previous year	**13.35**	**1,518.99**	**191.75**	**3,065.32**	**183.03**	**25,968.71**	**(17.49)**	**(124.29)**	**1,213.69**	**32,013.07**
Profit for the year	-	-	-	-	-	5,015.16	-	-	-	5,015.16
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	15.38	25.20	229.65	270.23
Transactions with owners, recorded directly in equity										
Equity shares issued during the year	-	49.80	-	-	-	-	-	-	-	49.80
Dividends	-	-	-	-	-	(363.55)	-	-	-	(363.55)
Transaction costs in relation to issue of equity shares	-	-	-	-	-	(25.50)	-	-	-	(25.50)
Settlement of employee stock options (refer note 31)	-	-	-	-	(45.97)	-	-	-	-	(45.97)
Balance at the end of the current year	**13.35**	**1,568.79**	**191.75**	**3,065.32**	**137.06**	**30,594.82**	**(2.11)**	**(99.09)**	**1,443.34**	**36,913.24**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Mukesh Surana
Chief Financial Officer

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: May 28, 2025

Consolidated Statement of Cash Flow for the year ended March 31, 2025

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Change in liabilities arising from financing activities	Lease liabilities- Non Current and Current (Refer note 10B)	Borrowings - Non Current (Refer note 10A)*	Borrowings - Current (Excl. interest) (Refer note 13A)	Finance cost other than lease liabilities
Opening as on March 31, 2023	**776.13**	**2,477.40**	**8,108.82**	**26.25**
Finance cost	41.66	-	-	1,016.55
Repayments of borrowings	-	(1,016.81)	(17,140.15)	-
Proceeds from borrowings	-	189.63	19,515.11	-
Additions	204.34	-	-	-
Payment of lease liabilities	(113.00)	-	-	-
Changes in fair values	-	39.64	-	-
Finance cost paid	-	-	-	(1,026.70)
Foreign exchange movement	9.25	-	58.62	2.12
Closing as on March 31, 2024	**918.38**	**1,689.86**	**10,542.40**	**18.22**
Finance cost including capitalisation	101.68	-	-	1,059.30
Repayments of borrowings	-	(997.94)	(22,409.90)	-
Proceeds from borrowings	-	2,938.28	21,070.41	-
Additions	832.56	-	-	-
Payment of lease liabilities	(177.70)	-	-	-
Changes in fair values	-	2.05	-	-
Finance cost paid	-	-	-	(1,034.64)
Foreign exchange movement	14.79	-	(20.93)	5.82
Closing as on March 31, 2025	**1,689.71**	**3,632.25**	**9,181.98**	**48.70**

* Aforesaid reconciliation includes current maturities of non-current borrowings

The above Consolidated statement of cash flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Mukesh Surana
Chief Financial Officer

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: May 28, 2025

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

1 Company overview

1.1 Reporting entity

The consolidated financial statements relate to Granules India Limited (the Company), and its subsidiary companies. The Company and its subsidiaries constitute the Group. The Company is a public company domiciled in India, with its registered office situated at 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad, Telangana. The Company has been incorporated under the provisions of Companies Act and its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Group is primarily involved in the manufacturing and selling of Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation intermediates (PFIs) and Finished Dosages (FDs).

1.2 Basis of preparation of consolidated financial statements

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time).

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2025. These consolidated financial statements were approved for issuance by the Company's Board of Directors on May 28, 2025.

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest millions, except when otherwise indicated.

Details of the Group's material accounting policies are included in Note 2.

b) Current versus non-current classification

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

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 12 months as its operating cycle.

c) Basis of consolidation

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the reporting date and are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

d) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (₹), which is also the Company's functional currency. 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.

e) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities are measured at fair value or amortised cost.
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.
- Share based payments are measured at fair value.

f) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 1.2(d) - Assessment of functional currency;
- Note 2(a) and 32 - Financial instruments;

Assumptions and estimation uncertainities

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2025 is included in the following notes:

- Note 26 (a) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 27 – Shared based payments.
- Note 28 - Measurement of defined benefit obligations : key actuarial assumptions.
- Note 6 - Provision for inventories
- Note 2(d) - Useful lives of property, plant and equipment;
- Note 2(e) - Useful lives of Intangible assets;
- Note 7A - Provision for loss allowance on trade receivables
- Note 2(g)(ii) - Measurement of recoverable amount of cash generated units; impairment of non financial assets.

g) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets. 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 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 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.

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.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 27 – share based payment; and
- Note 32 – financial instruments.

2 Material accounting policies

a. 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.

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income ('FVOCI') – debt investment;
- FVOCI – equity investment; or
- Fair value through profit and loss ('FVTPL')

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Financial assets: subsequent measurement and gains and losses	
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

Derivative financial instruments are used to mitigate the risk of changes in exchange rates on foreign currency exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in statement of profit and loss.

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges:

When a derivative or non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative or non-derivative financial liability is recognised in OCI and accumulated in other equity under the heading cash flow hedging reserve. Ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income, remains there until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in the statement of profit and loss.

b. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Cash and cash equivalents includes of balances with banks which are unrestricted for withdrawal and usage.

Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

c. Foreign Currency

Transactions in foreign currencies are initially recorded at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of exchange at the reporting date.

Transactions in foreign currency are translated at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

d. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item or property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property plant and equipment is recognised in statement of profit and loss.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance under "non-current assets".

ii. Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method.

Asset Class	Useful Life
Freehold buildings	30 years
Lease hold improvements	Lease period
Plant and equipment including R&D equipment	3-20 years
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Data processing equipment	3-6 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

e. Intangible assets

Internally generated: Research and development

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii. Amortisation

Other intangible assets are amortised on a straight line basis over the estimated useful life as follows:

Asset Class	Useful Life
Computer software	3-10 years
Technical know how	10 years
Product and other related intangibles	3-15 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the monthly moving weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

The factors that the Group considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

g. Impairment

i. Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, 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 is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months 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 assumes that the credit risk on a financial asset has increased significantly if it is more than the 270 days over and above the usual credit period.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the Group to actions such as realising security (if any is held).

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due over a reasonable period of credit;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

In case of investments, the Group reviews its carrying value of investments carried at cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

ii. Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

h. Employee benefits

i. Defined contribution plans

The Group makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

which the employee renders the related service. The Group has no further obligations beyond its monthly contributions.

ii. Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. 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 to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and 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 nonroutine settlements; and
- Net interest expense or income

When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs.

iii. Compensated Absence Policy

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

iv. Other long-term employee benefits

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at March 31st every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

v. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

vi. Share based compensation

The grant date fair value of options granted to employees is recognised as employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "employee stock option". No expense is recognised for options that do not ultimately vest because service conditions have not been met.

i. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities and contingent assets

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 are not recognised in the consolidated financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. 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.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

j. Earnings per share ('EPS')

The earnings considered in ascertaining the Group's Earnings Per Share (EPS) comprise net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

k. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Group operates in one reportable business segment i.e. "Pharmaceuticals".

l. Revenue

i. Sale of goods

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding applicable discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as GST where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

ii. Sales return allowances

The Group accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Group's estimate of expected sales returns. The estimate of sales return is determined primarily by the Group's historical experience in the markets in which the Group operates.

iii. Export incentives

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

iv. Interest income or expense

Interest income or expense is recognised using the effective interest method on time proportion method.

v. Dividend income

Dividend income is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

m. Contract Balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii. Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (a) Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

n. Leases

Lessee

The Group's lease asset classes primarily consist of leases for buildings and plant and machinery.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease as per the requirement of Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

a. Fixed payments including in-substance fixed payments;

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c. Amounts expected to be payable under a residual value guarantee; and

d. the exercise price under a purchase option that the Group and its associate is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

o. Income tax

Income tax comprises current and deferred income tax. Income tax expense is recognised in statement of profit and loss or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except when:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

p. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.Borrowing cost also includes exchange

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are recognised as an expense in the period in which they are incurred.

q. Recent pronouncements

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, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 01, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its Consolidated financial statements..

(i) Ind AS 117 Insurance Contracts

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after April 01 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Consolidated financial statements as the Group has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after April 01, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Consolidated financial statements.

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for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

3A. Property, plant and equipment and capital work-in-progress - Reconciliation of carrying amount

Particulars	Freehold land	Freehold buildings	Lease Hold Improvements	Plant and equipment	Data processing equipment	Office equipment	R&D Equipment	Furniture and fittings	Vehicles	Total
Gross block										
At March 31, 2023	**863.66**	**7,100.58**	**47.88**	**14,549.64**	**305.04**	**178.74**	**533.95**	**315.04**	**79.78**	**23,974.31**
Additions	9.90	221.63	724.99	2,098.23	34.63	31.08	92.70	16.60	0.50	3,230.26
Disposals	-	-	-	(276.63)	-	(0.84)	(20.85)	(0.10)	(3.78)	(302.19)
Exchange differences	3.20	24.06	0.03	23.35	0.82	0.23	0.21	0.39	0.11	52.40
At March 31, 2024	**876.76**	**7,346.27**	**772.90**	**16,394.59**	**340.49**	**209.21**	**606.01**	**331.93**	**76.61**	**26,954.78**
Additions	263.62	1,099.96	265.38	2,368.21	143.12	105.01	127.79	21.35	33.36	4,427.80
Disposals	-	-	-	(163.93)	(0.42)	(1.29)	(15.42)	(1.49)	(15.99)	(198.54)
Exchange differences	5.54	42.11	19.15	62.57	1.99	1.04	0.75	1.12	0.19	134.46
At March 31, 2025	**1,145.92**	**8,488.34**	**1,057.43**	**18,661.44**	**485.18**	**313.97**	**719.13**	**352.91**	**94.17**	**31,318.50**
Accumulated Depreciation										
At March 31, 2023	**-**	**1,237.37**	**38.67**	**6,333.78**	**215.20**	**110.29**	**260.71**	**153.78**	**43.06**	**8,392.86**
Depreciation for the year	-	232.48	53.40	1,067.91	36.06	29.64	48.26	27.29	6.90	1,501.94
Disposals	-	-	-	(236.79)	-	(0.69)	(20.39)	(0.05)	(3.64)	(261.56)
Exchange differences	-	3.47	0.25	6.04	0.67	0.07	0.11	0.21	0.10	10.92
At March 31, 2024	**-**	**1,473.32**	**92.32**	**7,170.94**	**251.93**	**139.31**	**288.69**	**181.23**	**46.42**	**9,644.16**
Depreciation for the year	-	251.46	68.75	1,106.81	43.97	26.46	54.12	26.08	6.65	1,584.30
Disposals	-	-	-	(139.65)	(0.42)	(1.12)	(10.49)	(0.86)	(4.10)	(156.64)
Exchange differences	-	8.17	3.22	12.57	0.98	0.29	0.23	0.44	0.19	26.09
At March 31, 2025	**-**	**1,732.95**	**164.29**	**8,150.67**	**296.46**	**164.94**	**332.55**	**206.89**	**49.16**	**11,097.91**
Net block										
At March 31, 2024	**876.76**	**5,872.95**	**680.58**	**9,223.65**	**88.56**	**69.90**	**317.32**	**150.70**	**30.19**	**17,310.62**
At March 31, 2025	**1,145.92**	**6,755.39**	**893.14**	**10,510.77**	**188.72**	**149.03**	**386.58**	**146.02**	**45.01**	**20,220.59**

Capital work-in-progress	
At March 31, 2024	2,595.43
At March 31, 2025	**4,369.48**

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for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Capital work -in -Progress- Movement

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning	2,595.43	2,280.44
Additions including exchange differences*	6,201.85	3,545.25
Capitalised during the year	(4,427.80)	(3,230.26)
Balance at the end	4,369.48	2,595.43

*Includes finance cost capitalized amounting to ₹. 128.60 millions (March 31, 2024: 10.37)

Ageing Schedule for Capital work -in -Progress as below

Particulars	March 31, 2025					March 31, 2024				
	Amount for a period of				Total	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,004.41	359.99	5.08	-	4,369.48	2,290.88	267.46	37.09	-	2,595.43
Total	4,004.41	359.99	5.08	-	4,369.48	2,290.88	267.46	37.09	-	2,595.43

i) Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling plans.

ii) Projects in progress are neither overdue nor exceeds their cost when compared to its original plan during the current or previous year.

iii) For details of security on certain property, plant and equipment, refer note 10A & 13A.

iv) For contractual commitments - refer note 26 (b).

v) The Group has not revalued its property, plant and equipment during the current or previous year.

3B. Intangible assets - Reconciliation of carrying amount

Particulars	Software	Product and other related intangibles	Total
Gross block			
At March 31, 2023	234.67	4,652.49	4,887.16
Additions	39.28	-	39.28
Disposals	-	-	-
Exchange differences	0.31	52.65	52.96
At March 31, 2024	274.26	4,705.14	4,979.40
Additions	85.21	89.93	175.14
Disposals	-	(179.85)	(179.85)
Exchange differences	1.76	91.74	93.50
At March 31, 2025	361.23	4,706.96	5,068.19
Accumulated amortisation			
At March 31, 2023	130.08	1,961.56	2,091.64
Amortisation for the year	21.57	448.43	470.00
Disposals	-	-	-
Exchange differences	0.16	22.29	22.45
At March 31, 2024	151.81	2,432.28	2,584.09
Amortisation for the year	34.13	493.46	527.59
Disposals	-	(179.85)	(179.85)
Exchange differences	0.51	45.43	45.94
At March 31, 2025	186.45	2,791.32	2,977.77
Net block			
At March 31, 2024	122.45	2,272.86	2,395.31
At March 31, 2025	174.78	1,915.64	2,090.42

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Intangible assets under development

Particulars	
At March 31, 2024	121.56
At March 31, 2025	32.45

i) The Group has not revalued its intangible assets during the current or previous year.

Ageing Schedule for Intangible assets under development as below

Year	Intangible assets under development	Amount in IUD for a period of				Total
		Less than 1year	1-2 years	2-3 years	More than 3 years	
March 31, 2025	Projects in Progress	15.23	-	17.22	-	32.45
	Total	15.23	-	17.22	-	32.45
March 31, 2024	Projects in Progress	15.66	15.04	2.23	88.63	121.56
	Total	15.66	15.04	2.23	88.63	121.56

i) Projects in progress are neither overdue nor exceed their cost when compared to its original plan during the current or previous year.

3C. Right-of-use assets

Particulars	Buildings	Computers	Total
Gross block			
At March 31, 2023	905.14	45.57	950.71
Additions	597.24	25.76	623.00
Deletions	-	-	-
Exchange diferences	10.23	-	10.23
At March 31, 2024	1,512.61	71.33	1,583.94
Additions	832.56	-	832.56
Deletions	-	-	-
Exchange diferences	17.60	-	17.60
At March 31, 2025	2,362.77	71.33	2,434.10
Accumulated depreciation			
At March 31, 2023	185.89	32.62	218.51
Depreciation for the year*	102.08	11.36	113.44
Deletions	-	-	-
Exchange diferences	1.75	-	1.75
At March 31, 2024	289.72	43.98	333.70
Depreciation for the year*	133.04	10.04	143.08
Deletions	-	-	-
Exchange diferences	3.67	-	3.67
At March 31, 2025	426.43	54.02	480.45
Net block			
At March 31, 2024	1,222.89	27.35	1,250.24
At March 31, 2025	1,936.34	17.31	1,953.65

i) The aggregate depreciation expense on assets taken on lease is included under depreciation and amortisation expense in the Statement of profit and loss.

*Depreciation on Right-of-use assets of ₹. Nil (March 31, 2024: ₹. 12.07 million) is capitalized during the year.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

4. Financial Assets- Non Current

4A. Investments

Particulars	As at March 31, 2025	As at March 31, 2024
Investments		
a. In Unquoted equity shares (Fair value through OCI)		
Jeedimetla Effluent Treatment Ltd - 15,142 (March 31, 2024 : 15,142) equity shares of ₹. 10/- each fully paid up	5.96	5.96
Patancheru Envirotech Ltd - 34,040 (March 31, 2024: 34,040) equity shares of ₹. 10/- each fully paid up	0.34	0.34
RVK Energy Private Ltd - 1,282,000 (March 31, 2024: 1,282,000) equity shares of ₹ 10/- each fully paid up	2.00	2.00
US Pharma Limited - 410.52 (March 31, 2024 : 410.52) equity shares	212.09	206.84
	220.39	**215.14**
b. In Quoted equity shares (Fair value through OCI)		
Ipca Laboratories Limited - Nil (March 31, 2024: 100) equity shares	-	0.01
Total	**220.39**	**215.15**
Aggregate book value of quoted investments	-	0.01
Aggregate market value of quoted investments	-	0.12
Aggregate value of unquoted investments	220.39	215.14

4B. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	194.69	167.03
Deposits with remaining maturity more than 12 months	10.42	-
Total	**205.11**	**167.03**

5. Other assets

5A. Non-current (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	1,496.59	1,441.48
Balance with government authorities	79.96	-
Total	**1,576.55**	**1,441.48**

5B. Current (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with government authorities	1,463.08	1,304.37
Prepaid expenses	409.11	311.07
Export incentives receivable	130.04	122.36
Insurance claim receivable	-	11.42
Advance to suppliers		
Considered good	323.96	544.60
Considered doubtful	34.68	31.36
	2,360.87	**2,325.18**
Less : Allowance for doubtful advances*	(34.68)	(31.36)
Total	**2,326.19**	**2,293.82**

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

***Details of movement in allowance for doubtful advances :**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	(31.36)	(31.36)
Provision made during the year, net of reversals	(3.32)	-
Amounts written off during the year	-	-
Balance at the end of the year	**(34.68)**	**(31.36)**

6. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials*	3,631.25	3,417.39
Packing materials	748.61	721.77
Work-in-progress	1,318.09	1,221.62
Finished goods**	7,077.52	7,181.61
Stores, spares and consumables	652.72	463.06
Total	**13,428.19**	**13,005.45**

*includes raw materials-in-transit ₹. 108.11 millions (March 31, 2024 - ₹. 209.52 millions).

**includes finished goods-in-transit ₹. 688.70 millions (March 31, 2024 - ₹. 404.41 millions)

i) For details of inventories hypothecated against current borrowings Refer note 10A & 13A.

7. Financial Assets

7A. Trade receivables (Unsecured)

Particulars		As at March 31, 2025	As at March 31, 2024
(a) Considered good		9,434.25	9,664.95
Less : Allowance for doubtful trade receivables		(74.23)	(62.86)
	(A)	**9,360.02**	**9,602.09**
(b) Significant increase in credit risk		193.10	360.61
(c) Credit impaired		157.90	171.55
Less : Allowance for doubtful trade receivables		(288.84)	(275.92)
	(B)	**62.16**	**256.24**
Total	(C=A+B)	**9,422.18**	**9,858.33**

Trade receivables are non-interest bearing and are generally with payment terms of upto 180 days from the date of invoice or bill of lading date.

The Groups's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 33.

For receivables secured against borrowings, Refer note 10A & 13A.

Details of changes in allowance for doubtful trade receivables/ credit losses :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	338.78	288.37
Provision made during the year including exchange differences, net of reversals	24.29	50.41
Balance at the end of the year	363.07	338.78

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Ageing Schedule for Trade receivables as below

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
	Not Due	< 6 months	6 months - 1 year	1-2 Years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables - considered good	5,702.46	3,544.64	178.40	8.75	-	-	9,434.25
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	113.94	29.13	27.99	22.04	193.10
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	1.40	156.50	157.90
Total	**5,702.46**	**3,544.64**	**292.34**	**37.88**	**29.39**	**178.54**	**9,785.25**

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not Due	< 6 months	6 months - 1 year	1-2 Years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables - considered good	7,391.26	1,937.61	336.08	-	-	-	9,664.95
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	115.98	131.56	81.62	31.45	360.61
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	17.11	29.55	124.89	171.55
Total	**7,391.26**	**1,937.61**	**452.06**	**148.67**	**111.17**	**156.34**	**10,197.11**

7B. Cash and bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
i) Cash on hand	1.20	1.23
ii) Balance with banks:		
On current accounts	1,001.32	1,711.38
On EEFC accounts	1,200.87	1,098.02
Deposits with original maturity of less than 3 months	2,457.75	1,000.37
Total - (i+ii)	**4,661.14**	**3,811.00**

Particulars	As at March 31, 2025	As at March 31, 2024
iii) Bank balances other than cash and cash equivalents stated above		
Unpaid dividend account	4.06	4.85
Deposits with remaining maturity for less than 12 months	26.05	-
Balance in escrow account (refer note 37(b))	1,096.60	-
Margin money deposits(refer note {a} below)	175.90	48.00
Total -(iii)	**1,302.61**	**52.85**

a) Margin money deposits are subject to first charge against bank guarantees and/or letters of credit obtained.

7C. Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on deposits	-	7.71
Derivative financial instruments	-	2.38
Advance to employees	12.00	11.07
Deposits	2.50	-
Other receivables	-	7.87
Total	**14.50**	**29.03**

8. Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized		
505,000,000 (March 31, 2024: 505,000,000) Equity Shares of ₹1/- each	505.00	505.00
Issued, subscribed and fully paid up		
242,543,716 fully paid up equity shares of ₹1/- each (March 31, 2024 : 242,368,716 equity shares of ₹1/- each)	242.54	242.37

8.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No.	₹	No.	₹
At the beginning of the year	24,23,68,716	242.37	24,20,42,756	242.04
Add: Shares issued on exercise of employee stock options	1,75,000	0.17	3,25,960	0.33
Number of shares at the end of the year	**24,25,43,716**	**242.54**	**24,23,68,716**	**242.37**

8.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividends in Indian rupees. 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

8.3 Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Dr. Krishna Prasad Chigurupati	7,67,99,111	31.66%	8,42,99,111	34.78%
Life Insurance Corporation of India	1,27,82,570	5.27%	71,34,284	2.94%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

8.4 Disclosure of shareholding of promoters

As at March 31, 2025

Shares held by promoters

Promoter Name	As at March 31, 2025		As at March 31, 2024		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Dr. Krishna Prasad Chigurupati	7,67,99,111	31.66%	8,42,99,111	34.78%	(3.12%)
Chigurupati Uma Devi	92,40,761	3.81%	92,40,761	3.81%	-
Priyanka Chigurupati	18,18,683	0.75%	18,18,683	0.75%	-
Pragnya Chigurupati	18,42,035	0.76%	18,42,035	0.76%	-
Suseela Devi Chigurupati	65,000	0.03%	65,000	0.03%	-
Nikhila Reddy Yedaguri	29,500	0.01%	29,500	0.01%	-
Tyche Investments Private Limited	35,52,557	1.46%	35,52,557	1.47%	(0.01%)
Santhi Sree Ramanavarapu	8,55,878	0.35%	8,55,878	0.35%	-

As at March 31, 2024

Shares held by Promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Dr. Krishna Prasad Chigurupati	8,42,99,111	34.78%	8,42,99,111	34.83%	(0.05%)
Chigurupati Uma Devi	92,40,761	3.81%	92,40,761	3.82%	(0.01%)
Priyanka Chigurupati	18,18,683	0.75%	18,18,683	0.75%	-
Pragnya Chigurupati	18,42,035	0.76%	18,42,035	0.76%	-
Suseela Devi Chigurupati	65,000	0.03%	65,000	0.03%	-
Nikhila Reddy Yedaguri	29,500	0.01%	29,500	0.01%	-
Tyche Investments Private Limited	35,52,557	1.47%	35,52,557	1.47%	-
Venkata Mahesh Krishna Narra	-	-	5,000	0.00%	-
Santhi Sree Ramanavarapu	8,55,878	0.35%	8,55,878	0.35%	-

8.5 Shares reserved for issue under options

For details of shares reserved for issue under Employee stock option scheme (ESOS) of the Company, refer note 27

8.6 There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

8.7 Buy back of Shares

During the year ended March 31, 2023, the Company has bought back 6,250,000 equity shares of ₹ 1 each, representing 2.52% of total number of equity share fully paid-up for an aggregate amount of ₹. 2,500 millions (excluding taxes and transaction cost) at ₹. 400 per share. The equity shares bought back were extinguished on 19 October 2022. An amount corresponding to face value of the shares bought back was transferred to Capital Redemption Reserve were adjusted against General reserve.

9. Other equity

(Refer disclosure of other equity in Statement of changes in equity)

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

General reserve

It represents the portion of the net profit which the Group has transferred, before declaring dividend pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings

The amount that can be distributed by the Group as dividends to its equity shareholders.

Share based payment reserve

The Group has established various equity settled share based payment plans for certain categories of employees of the Group. Also refer note 27 for further details on these plans.

Capital reserve

Capital reserve arising pursuant to scheme of amalgamation.

Dividends

The following dividends were paid by the Company

Particulars	March 31, 2025	March 31, 2024
₹.1.50 per equity share (March 31, 2024 : ₹ 1.50 per share)	363.55	363.06
	363.55	**363.06**

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

Particulars	March 31, 2025	March 31, 2024
₹.1.50 per equity share (March 31, 2024 : ₹ 1.50 per share)	363.82	363.55
	363.82	**363.55**

Analysis of items of OCI, net of tax

Remeasurements of defined benefit plans (refer note - 28)

Remeasurements of defined benefit plans comprises actuarial gains and losses and return on plan assets.

Cash flow hedge reserve

Cash flow hedge represents the cumulative effective portion of gains or losses (net of taxes) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

The reconciliation of cash flow hedge reserve for the year ended is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	(124.29)	(212.84)
Gain/(loss) recognised in other comprehensive income during the year	(75.15)	(42.75)
Amount reclassified to statement of profit and loss during the year	108.82	161.08
Tax impact on the above	(8.47)	(29.78)
Balance at the end of the year	**(99.09)**	**(124.29)**

Foreign currency translation reserve (FCTR)

Represents the FCTR of a foreign subsidiaries. For the purpose of consolidation of subsidiaries financial statements with the financial statement of the parent company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The movement in this reserve is due to fluctuation in exchange rate of currencies in the current year.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

10. Non-current financial liabilities

10A. Borrowings

Particulars	Non-current portion		Current maturities (refer Note 13A)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Term Loans (Secured)				
Loans from banks/financial institutions	3,115.11	689.71	517.14	1,000.15
Total	**3,115.11**	**689.71**	**517.14**	**1,000.15**

The details of secured loans are as under:

Name of the bank/ financial institutions	Outstanding as on March 31, 2025	Outstanding as on March 31, 2024	Sanction Amount	No of Installments	Commencement of Installments	Rate of Interest
International Finance Corporation (Refer note (i) and (ii))	349.36	1,013.67	EUR 45.00 Mn	12 half yearly equal installments of EUR 3.75 Mn	Jan-20	6M Euribor + 1.00% p.a. (March 31, 2024 : 6M Euribor +1.00% p.a.)
Hong Kong and Shanghai Banking Corporation (Refer note (i) and (ii))	167.78	486.56	EUR 16.20 Mn	9 half yearly installments of EUR 1.8 Mn	Jul-21	6M Euribor +0.80 % p.a. (March 31, 2024: 6M Euribor +0.80 % p.a.)
State Bank of India (₹) (Refer note (i) and (ii))	2,127.92	189.63	₹4,000 Mn	28 structured quarterly installments	Jun-26	3M MCLR + 0.20% p.a (March 31, 2024:3M MCLR + 0.20% p.a)
State Bank of India (USD) (Refer note (i) and (ii))	987.19	-				6 months SOFR + 1.60% p.a

i) All secured term loans are secured by a paripassu first charge on the property, plant and equipment of present and future of the Granules India Limited & Granules Life Sciences Private Limited and a paripassu second charge of the current assets of present and future of the Granules India Limited & Granules Life Sciences Private Limited.

ii) The Group has not defaulted on payment of principal and interest thereon on above term loans.

10B. The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current lease liabilities	1,591.92	831.98
Current lease liabilities	97.79	86.40
Total	**1,689.71**	**918.38**

The following is the movement in lease liabilities :

Balance as at March 31, 2023	**776.13**
Additions	204.34
Finance cost accrued for the year	41.66
Deletions	-
Payment of lease liabilities including exchange differences	(103.75)
Balance as at March 31, 2024	**918.38**
Additions	832.56
Finance cost accrued for the year	101.68
Deletions	-
Payment of lease liabilities including exchange differences	(162.91)
Balance as at March 31, 2025	**1,689.70**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2025	March 31, 2024
Less than one year	198.61	128.35
One to five years	691.83	426.89
More than five years	2,594.55	1,039.84
Total	**3,484.99**	**1,595.08**

i) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii) The effective interest rate for lease liabilities is 5-9%, with maturity between 2026-2045.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets (refer note 21)	143.08	113.44
Interest expense on lease liabilities (refer note 20)	101.68	41.66
Expense relating to short-term leases (refer note 22)	140.04	219.80
Total amount recognised in Statement of profit and loss	**384.80**	**374.90**

11. Provisions

11A. Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (refer note 28(b))	317.60	287.20
Compensated absences*	-	91.60
Total	**317.60**	**378.80**

11B. Current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (refer note 28(b))	71.64	66.09
Compensated absences	171.61	48.70
Provision for sales return*	73.57	3.57
Total	**316.82**	**118.36**

***Details of movement in provision for Compensated absences are as follows:**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	140.30	116.69
Provision made during the year, net of reversals	82.33	69.33
Provision used during the year	(51.02)	(45.72)
Balance as at end of the year	**171.61**	**140.30**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

***Details of movement in provision for sale return are as follows:**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	3.57	37.14
Provision made during the year, net of reversals	70.00	-
Provision used during the year	-	(33.57)
Balance as at end of the year	**73.57**	**3.57**

12A. Deferred tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
Property, plant and equipment and intangible assets	684.71	1,389.44
Right of use assets	217.58	23.85
Gross deferred tax liabilities	**902.29**	**1,413.29**
Deferred tax asset		
Employee benefit obligations	145.06	169.00
Allowance for doubtful debts / credit loss	91.02	80.96
Cash flow hedges	33.33	41.80
Allowance for doubtful advances	8.73	7.89
Lease liability	227.77	27.09
Business loss	12.80	-
Research credit	-	162.56
Stock reserve	-	362.99
Provisions	-	136.30
Others	69.99	193.74
Gross deferred tax assets	**588.70**	**1,182.33**
Net deferred tax liabilities	**313.59**	**230.96**

12B. Deferred tax asset (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax asset		
Employee benefit obligations	60.62	15.99
Business loss	91.53	74.27
Research credit	345.38	-
Stock reserve	570.37	271.88
Provisions	171.21	-
Others	183.72	48.29
Gross deferred tax asset	**1,422.83**	**410.43**
Deferred tax liabilities		
Property, plant and equipment and intangible assets	744.52	39.39
Gross deferred tax liabilities	**744.52**	**39.39**
Net deferred tax asset	**678.31**	**371.04**

(refer note 24 for movement in deferred tax balances)

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

13. Current financial liabilities

13A. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Current borrowings - repayable on demand from Banks		
Indian rupee loans from banks (Unsecured)	157.56	-
Packing credit loans (secured) (refer note (i) & (ii))	4,790.32	5,512.85
Packing credit loans (unsecured) (refer note (ii))	2,616.91	3,529.43
Working capital loan (secured) (refer note (v))	1,315.46	1,250.10
Working capital loan (unsecured) (refer note (vi))	345.36	250.02
Current maturities of non-current borrowings (refer note 10A)	517.14	1,000.15
Total	**9,742.75**	**11,542.55**

i) All secured current borrowings from banks are secured by a paripassu first charge on the current assets of present and future of the Holding Company and a paripassu second charge of the property, plant and equipment of present and future of the Holding Company.

ii) The Group has outstanding foreign currency denominated loans carrying an interest rate ranging 5.25% to 5.50% p.a benchmark linked to SOFR (March 31, 2024: 5.7% to 5.9% p.a) from banks. The facility is repayable within 180 days from the date of its origination.

iii) The Group's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

iv) As on March 31, 2025 the Group has obtained various borrowings from banks on basis of security of current assets wherein the returns/statements filed with the banks in agreement with the audited / unaudited books of accounts.

v) Under a line of credit agreement ("the agreement") with a bank, the Granules USA Inc., has available borrowings of $15 millions. The interest rate as per the agreement was stipulated at 0.90% plus the applicable Compounded Reference Rate.

vi) Granules Pharamaceuticals Inc., has outstanding revolving credit facility carrying an interest rate of Reference rate + 1.05% p.a from banks.

13B. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables (refer note (b) below)		
Total outstanding dues of micro enterprises and small enterprises (refer note (a) below)	64.14	46.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,196.55	7,448.47
Total	**7,260.69**	**7,495.26**

Note (a) :

i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
Principal amount due to micro and small enterprises	64.14	46.79
Interest due on the above	-	-
ii) The amount of interest paid by the buyer in terms of section 16 of MSMED, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Note (a) :

iv) The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

The list of undertakings covered under MSMED was determined by the Group on the basis of information available with the Group and has been relied upon by the auditors.

Note (b) :

The Group's exposure to currency and liquidity risks related to trade payables is dislclosed in Note 33.

Refer Note 31 for trade payable to related parties.

Ageing Schedule for Trade payables as below:

As on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	64.14	-	-	-	64.14
ii) Others	6,973.65	148.65	47.30	26.95	7,196.55
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-
Total	**7,037.79**	**148.65**	**47.30**	**26.95**	**7,260.69**

As on March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	46.79	-	-	-	46.79
ii) Others	7,357.45	61.40	16.90	12.72	7,448.47
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-
Total	**7,404.24**	**61.40**	**16.90**	**12.72**	**7,495.26**

13C. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Capital creditors	981.01	496.96
Employee benefits payable	749.71	573.11
Unclaimed dividend	4.30	5.08
Interest accrued but not due on borrowings	-	18.22
Derivative financial instruments	82.40	-
Others*	451.71	169.59
Total	**2,269.13**	**1,262.96**

* Includes payable to customers

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

14. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note 15)	43.76	178.41
Statutory liabilities	118.25	82.90
Total	**162.01**	**261.31**

15. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	44,559.72	44,901.60
Other operating revenue*	256.36	162.07
Total	**44,816.08**	**45,063.67**

*Includes sale of scraps and export incentives

The operations of the Group are limited to one segment viz. pharmaceuticals products. Revenue from contract with customers is from sale of manufactured goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

Reconciliation of Revenue recognised with contract price

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per the contracted price	74,507.41	65,502.71
Adjusted for :		
Less : Sales returns	(516.04)	(580.75)
Less : Chargebacks, rebates and discounts	(29,175.29)	(19,858.29)
Total revenue from contracts with customers	**44,816.08**	**45,063.67**

The following table shows the distribution of the Group's revenue based on the geographical location of the customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	2,708.28	2,255.70
Outside India	42,107.80	42,807.97
Total revenue from contracts with customers	**44,816.08**	**45,063.67**

Details of contract liabilities:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract liabilities (refer note 14)	43.76	178.41

The Contract liabilities are primarily relate to advance consideration received from customers for sale of products, for which revenue is recorded at a point in time. The amount of ₹. 149.49 millions (March 31, 2024 -₹. 52.80 millions) included in contract liablities as at March 31, 2024 has been recognised as revenue in the current year.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Timing of revenue recognition	For the year ended March 31, 2025	For the year ended March 31, 2024
Goods transferred at a point in time	44,635.26	44,995.05
Services transferred at a over the time	180.82	68.62
Total	**44,816.08**	**45,063.67**

16. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income		
Deposits with banks	29.49	12.52
Others*	7.93	15.45
Gain on sale of Investments	0.14	-
Other non-operating income	91.63	16.05
Total	**129.19**	**44.02**

*Includes interest income on security deposits and others

17. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	4,139.16	4,571.75
Add: Purchases	17,490.07	21,649.62
	21,629.23	**26,221.37**
Less: Inventory at the end of the year	4,379.86	4,139.16
Cost of materials consumed	**17,249.37**	**22,082.21**

18. Changes in inventory of work-in-progress and finished goods

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year		
Finished goods	7,077.52	7,181.61
Work-in-progress	1,318.09	1,221.62
	8,395.61	**8,403.22**
Inventories at the beginning of the year		
Finished goods	7,181.61	5,126.17
Work-in-progress	1,221.62	1,407.34
	8,403.23	**6,533.51**
Total	**7.62**	**(1,869.71)**

19. Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus (refer note 28(b))	5,903.22	5,225.71
Managerial remuneration (refer note 31)	401.42	476.20
Contribution to provident and other funds (refer note 28(a))	127.31	118.47
Staff welfare expenses	166.09	155.37
Employee stock option scheme (refer note 27)	-	2.82
Total	**6,598.04**	**5,978.57**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

20. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense		
- Term loan	49.70	91.09
- Working capital	452.79	582.32
- Others	2.53	2.52
Interest on lease liabilities (refer note 10B)	101.68	41.66
Other borrowing costs	425.68	340.62
Total	**1,032.38**	**1,058.21**

21. Depreciation and amortisation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation	1,727.37	1,603.32
Amortisation	527.64	470.00
Total	**2,255.01**	**2,073.32**

22. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spares	384.09	398.15
Power and fuel	1,007.43	1,006.42
Effluent treatment expenses	256.89	226.72
Analytical fees	61.37	45.55
Other manufacturing expenses	375.67	375.02
Repairs and maintenance		
Plant and machinery	716.56	662.97
Buildings	65.05	85.37
Others	523.18	346.26
Rent	140.04	219.80
Rates and taxes	448.67	291.43
Printing and stationery	35.02	27.82
Insurance	454.92	345.27
Commission to directors (refer note 31)	16.58	19.55
Directors sitting fees (refer note 31)	3.46	3.68
Remuneration to statutory auditors (refer note 30)	15.74	14.19
Sales commission	200.04	229.45
Carriage outwards & clearing charges	2,544.82	2,214.69
Research & development expenses (refer note 29)	2,376.76	1,985.60
Business promotion expense / Other commercial expenses	219.87	417.64
Communication expenses	31.37	20.77
Consultancy charges	958.46	471.03
Travelling and conveyance	226.40	184.65
Advertisement charges	13.12	44.54
Donations	0.55	30.21
Loss on sale of property, plant and equipment (net)	24.88	23.20
Contribution to political parties*	-	130.00
Bad debts written off	43.23	24.36
Allowance for doubtful advances	3.32	-
Foreign exchange loss (net)	1.32	18.58
Corporate social responsibility expenditure (refer note 22A)	118.91	128.24
Miscellaneous expenses	217.61	271.23
Total	**11,485.33**	**10,262.39**

*Includes ₹. 30.00 millions contribution made to electoral bonds and ₹. 100.00 millions contribution made to political party - Bharatiya Janata party during the previous year

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

22A. Details of Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gross amount required to be spent by the Company during the year:	118.89	128.20
(b) Amount spent during the year ended		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above in cash	118.91	128.24
(c) Amount unspent during the year ended:	-	-
(d) Total of Previous years Shortfall	-	-
(e) Reason for Shortfall	NA	NA
(f) Nature of CSR Activities	Skill Development, Preventive healthcare, Safe drinking water and Promoting education	
(g) Details of Related party transactions		
Granules Trust (refer note 31)	102.30	114.70
(h) Where a provision is made with respect to a liability by entering into a contractual obligation, the movements in the provision during the year shall be shown seperately.	Not Applicable	Not Applicable
(i) Excess amount spent		
Opening Balance	0.21	0.17
Amount required to be spent during the year	118.89	128.20
Amount spent during the year	118.91	128.24
Closing balance	**0.23**	**0.21**

23. Exceptional Items

During the year ended March 31, 2024, the Group had encountered an incident related to information security which impacted the revenue and profitability of the Group. The Group continues to take adequate security measures to reduce the likelihood of a similar occurrence in the future.

During the year ended March 31, 2025, the Group has received insurance claim for business interruption due to the above mentioned incident. The same has been recognised as an income and disclosed separately as exceptional items.

24. Tax expense

(a) Tax expense:

Amount recognised in profit (or) loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	1,828.03	1,652.27
Deferred tax (benefit)/expense		
Attributable to the origination and reversal of temporary differences	(241.53)	(233.08)
Total tax expense recognised in statement of profit & loss	**1,586.50**	**1,419.19**

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax (A)	6,601.66	5,472.29
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	1,661.51	1,377.27
Adjustment of tax relating to earlier periods	(46.37)	10.55
Effect of tax incentives and concessions	(62.81)	-
Permanent differences	23.16	72.60

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Unrecognised deferred tax assets	13.90	2.23
Others	(2.89)	(43.46)
Tax expense	**1,586.50**	**1,419.19**
Effective tax rate	**24.03%**	**25.93%**

Movement in temporary differences:

Particulars	Balance as at April 1, 2023	Recognised in Statement of profit and loss during the previous year including exchange differences	Recognised in OCI during the previous year	Balance as at March 31, 2024	Recognised in profit or loss during the year including exchange differences	Recognised in OCI during the year	Balance as at March 31, 2025
On account of depreciation and amortization	(1,400.38)	(28.45)	-	(1,428.83)	(0.40)	-	(1,429.23)
On account of right of use assets	(27.58)	3.73	-	(23.85)	(193.73)	-	(217.58)
On account of employee benefits	140.72	42.84	1.43	184.99	25.98	(5.29)	205.68
On account of allowance for doubtful debts	66.43	14.53	-	80.96	10.06	-	91.02
On account of allowance for doubtful advances	7.89	-	-	7.89	0.84	-	8.73
On account of leased liability	30.85	(3.76)	-	27.09	200.68	-	227.77
On account of cash flow hedges	71.58	-	(29.78)	41.80	-	(8.47)	33.33
On account of business loss	213.90	(139.63)	-	74.27	30.06	-	104.33
On account of stock reserve	379.54	255.33	-	634.87	(64.50)	-	570.37
On account of provisions	63.63	72.67	-	136.30	34.91	-	171.21
On account of research credit	226.20	(63.64)	-	162.56	182.82	-	345.38
Others	164.98	77.05	-	242.03	11.69	-	253.71
Total	**(62.24)**	**230.67**	**(28.35)**	**140.08**	**238.41**	**(13.76)**	**364.72**

Income tax recognised in other comprehensive income

Particulars	For the Year ended March 31, 2025			For the Year ended March 31, 2024		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Gain/(loss) arising on translation of foreign operations	229.65	-	229.65	120.70	-	120.70
Fair value changes on cash flow hedges	33.67	(8.47)	25.20	118.33	(29.78)	88.55
Re-measurement of defined benefit liability	20.67	(5.29)	15.38	(5.68)	1.43	(4.25)
Total	**283.99**	**(13.76)**	**270.23**	**233.35**	**(28.35)**	**205.00**

25. Earning per equity share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings		
Profit for the year	5,015.16	4,053.10
Weighted average shares used for computing of basic EPS	242.41	242.21
Add: Effect of dilution		
Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	0.09	0.14

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average shares used for computing diluted EPS	242.50	242.35
Earnings per share		
- Basic (in ₹)	20.69	16.73
- Diluted (in ₹)	20.68	16.72

26. Contingent liabilities and commitments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Contingent liabilities:		
Claims arising from disputes not acknowledged as debts - direct taxes	21.11	21.11
Claims arising from disputes not acknowledged as debts - indirect taxes	9.29	9.29

The Group is involved in taxation matters that arise from time to time in the ordinary course of business. Management is of the view that above claims are not tenable and will not have any material adverse effect on the Group's financial position and results of operations.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

The Group has reviewed all its pending litigations including legal proceedings initiated in the ordinary course of business except as disclosed above. The Group does not expect the outcome of these proceedings to have a material and adverse effect on its financial position and accordingly no adjustment in respect thereof is expected.

Note:

i) During the year 2019-20, Granules Pharmaceuticals Inc and Granules USA Inc received a class action suit from a plaintiff stating that one of the products of the Companies – Metformin had a carcinogenic element. However, the USFDA obtained test results from the Group and issued a clean report. As on March 31, 2025, the litigation is active. The legal attorney is unable to state that an outcome unfavorable to the Group is either probable or remote, nor they are in a position to provide an estimate of the amount or range of potential loss in the event of an unfavorable outcome.

ii) This breach of contract matter arises out of a March 13, 2019 construction agreement between plaintiff, Tri Window Guys, LLC ("TWG") and Granules Pharmaceuticals Inc. ("GPI"). TWG has also set forth tortious interference and fraudulent inducement claims. Defendants, GPI, Karthikeyan Kumarasamy and Vijay Ramanavarapu, have answered Plaintiff's first amended complaint, filed counterclaims and filed a third party complaint. Defendants have propounded written discovery demands upon TWG, which are not yet due. GPI Management is aggressively defending this action and as indicated above has filed both counterclaims and third party claims relative to the contract and construction at issue.

iii) In 2020, the FDA asked manufacturers to recall all products containing Ranitidine due to fear that Ranitidine contained NDMA which can lead to cancer. Soon thereafter, multiple lawsuits were filed, including a multidistrict litigation against Granules, and other manufacturers for failure to adequately warn consumers about this risk. Granules name was mentioned in various litigations filed in the courts of Pennsylvania, Illinois, Florida & California. As on March 31, 2025, all these cases are at various stages and outcome of those are uncertain.

iv) RMRX LLC, filed a legal case against Granules Consumer Health, Inc. ("Granules"), by claiming a breach of contract i.e., to market and sell certain Granules over the counter products on Amazon in Superior Court of New Jersey, Bergen County. Currently case is in the written discovery phase and Granules awaiting responsive documentation from RMRx.

v) CVS, to whom Granules supplies metformin, is named in several litigations. CVS sent notice to Granules for reimbursement of costs incurred by it in defending itself in the matter. Granules has agreed to reimbursement 16% of future expenses incurred by CVS on its defense.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,771.39	2,195.53

(c) Guarantees

The Company has provided a Letter of Comfort to MUFG Bank Ltd. in respect of a Standby Letter of Credit (SBLC) facility of USD 1 million issued by MUFG Bank Ltd. on behalf of wholly owned subsidiary, Granules Pharmaceuticals Inc. to Senn Chemicals AG, for the procurement of raw materials and capital expenditure. The amount utilised under the said SBLC as at March 31, 2025, is USD 0.43 million.

27. Share based payments

Granules India Limited – Employee Stock Option Scheme 2009 & 2017 (ESOS-2009 & ESOS-2017)

Pursuant to the decision of the shareholders at their meeting held on September 25, 2009, the Company has formulated an Employee Stock Option Scheme 2009 to be administered by the Compensation & Remuneration Committee of the Board of Directors. This scheme has been formulated in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Under the Plan, options not exceeding 10,048,070 have been reserved to be issued to the eligible directors and employees (Employees under permanent employment of the Company and its subsidiary company(ies), including eligible Directors of the Company and its subsidiary, whether whole time or not, whether working in India or abroad or otherwise, except the Promoter Directors and Promoter group employees) with each option conferring a right upon the Optionee to apply for one equity share.

The exercise price of the options is the closing market price of the shares on that stock exchange where there is highest trading volume prior to the date of the grant i.e. the date of the Compensation & Remuneration Committee / Board meeting at which the grant of options is approved.

Under the above Scheme till date, options were granted in eight tranches. The options granted under the Plan shall start vesting in tranches after one year from the date of grant and not more than four years under Grant VII & VIII from the respective date of grant of the options.

Pursuant to the decision of the shareholders at their meeting held on 28th September, 2017, the Company has formulated an Employee Stock Option Scheme 2017 to be administered by the Nomination & Remuneration Committee of the Board of Directors. This scheme has been formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations') for the time being in force and as may be modified from time to time.

Under the Plan, options not exceeding 11,435,100 have been reserved to to such person(s) who are in the permanent employment of the Company, whether working in India or out of India and to the Directors of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as 'Eligible Employees'), except persons who are promoters or belong to the promoter group or a Director who either himself or through his relative or through any Body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company and Independent Directors, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOS 2017.

Under the above Scheme till date, options were granted in one tranche viz. Grant I. The options granted under the Plan shall start vesting in tranches after one year from the date of grant and not more than three years under Grant I from the respective date of grant of the options.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of exercise price of options granted, the expected term of an option (or "option life") is estimated based on the vesting term, contractual term, as well as expected exercise behavior of the employees receiving the option. In respect of fair market value of the options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, of the observed market prices of the Company's publicly traded equity shares. Dividend yield of the

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control.

The details of activity under the Scheme are summarised below :

Particulars	For the year ended March 31, 2025			
	Shares arising out of options	Range of Exercise prices	Weighted Average exercise price	Weighted Average remaining useful life (months)
Options outstanding at the beginning of the year	3,00,000	97.00 to 353.00	228.33	14
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	1,75,000	97.00 to 117.00	105.86	-
Less: Lapsed/Cancelled/Surrendered during the Year	-	-	-	-
At the end of the year	1,25,000	97.00 to 353.00	81.48	3
Exercisable the end of the year	1,25,000	97.00 to 353.00	148.20	3

Particulars	For the year ended March 31, 2024			
	Shares arising out of options	Range of Exercise prices	Weighted Average exercise price	Weighted Average remaining useful life (months)
Options outstanding at the beginning of the year	6,45,960	97.00 to 353.00	157.99	26
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	3,25,960	97.00	97.00	-
Less: Lapsed/Cancelled during the Year	20,000	97.00	97.00	-
At the end of the year	3,00,000	97.00 to 353.00	228.33	14
Exercisable the end of the year	3,00,000	97.00 to 353.00	228.33	14

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant I (ESOS 2017)	Grant VIII (ESOS 2009)
Date of grant	Sept 09, 2020	June 18, 2019
Dividend yield	1.00%	1.00%
Expected volatility	75.01%	45.25%
Risk-free interest rate	5.20%	7.17%
Weighted average share price of ₹.	460.41	116.70
Exercise price of ₹.	353.00	97.00
Expected life of options granted in years	3	4

Granules Pharmaceuticals, Inc. 2018 Equity Compensation Plan (GPI 2018 ESOP Scheme)

Pursuant to the decision of the shareholders at their meeting held on May 24, 2018, Granules Pharmaaceuticals, Inc.("GPI") has formulated an Granules Pharmaceuticals, Inc. 2018 Equity Compensation Plan (GPI 2018 ESOP Scheme) to be administered by the Board of Directors. Under the Plan, options not exceeding 10% of issued capital have been reserved to be issued to the eligible directors and employees with each option conferring a right upon the Optionee to apply for one equity share. The Exercise Price per Option shall be not less than 100% of the Fair Market Value of the Share available on the date of the grant. The options granted under the Plan shall start vesting in four equal tranches after one year from the date of grant, over a four year period.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of exercise price of options granted, the expected term of an option (or "option life") is estimated based on the vesting term, contractual term, as well as expected exercise behavior of the employees receiving the option. In respect of fair market value of the options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, of the observed market prices of the Company's publicly traded equity shares. Dividend yield of the

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the GPI's control.

The details of activity under the Scheme are summarised below :

Particulars	For the year ended March 31, 2025			
	No of options	Exercise price per option (in USD)	Weighted Average exercise price per option (in USD)	Weighted Average remaining useful life (months)
Options outstanding at the beginning of the year	82	19,149.26	19,149.26	27
Add : Granted during the year	-	-	-	-
Less: Exercised during the year*	(38)	-	-	-
Less: Lapsed/Cancelled during the Year	(44)	-	-	-
At the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

*Represents settlement of employee store options (refer note 31)

Particulars	For the year ended March 31, 2024			
	No of options	Exercise price per option (in USD)	Weighted Average exercise price per option (in USD)	Weighted Average remaining useful life (months)
Options outstanding at the beginning of the year	82	19,149.26	19,149.26	39
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/Cancelled during the Year	-	-	-	-
At the end of the year	82	19,149.26	19,149.26	27
Exercisable at the end of the year	82	19,149.26	19,149.26	27

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs

Particulars	Assumptions
Date of grant	May 07, 2018
Dividend yield	0.00%
Expected volatility	33.00%
Risk-free interest rate	2.73%
Weighted average share price in USD	19,210.00
Exercise price in USD	19,149.26
Expected life of options granted in years	5.25

The estimated fair value of stock options is charged to profit or loss account:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employee stock option scheme, net	-	2.82

28. Employee benefits

a) Defined contribution plan

Particulars	As at March 31, 2025	As at March 31, 2024
Contribution to provident fund	121.87	112.93
Contribution to employee state insurance	5.44	5.54
Total	**127.31**	**118.47**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

b) The Group has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is a funded plan and the Group make contributions to a recognised fund in India.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on March 31, 2023	**302.44**	**(17.54)**	**284.89**
Current service cost	52.99	-	52.99
Interest expense/(income)	21.65	(0.65)	21.00
Amount recognised in Statement of profit and loss	**74.64**	**(0.65)**	**73.99**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/ (income)			
Actuarial (gain)/loss arising from:			
Demographic assumptions	6.00	-	6.00
Financial assumptions	(2.19)	0.46	(1.73)
Experience adjustment	1.41	-	1.41
Amount recognised in other comprehensive income	**5.22**	**0.46**	**5.68**
Employers contribution	-	-	-
Benefits paid	(28.98)	17.71	(11.27)
Balance as on March 31, 2024	**353.32**	**(0.02)**	**353.29**
Current service cost	56.44	-	56.44
Interest expense/(income)	24.69	(0.01)	24.68
Amount recognised in Statement of profit and loss	**81.13**	**(0.01)**	**81.12**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	-	-
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	3.60	0.13	3.73
Experience adjustment	(24.40)	-	(24.40)
Amount recognised in other comprehensive income	**(20.80)**	**0.13**	**(20.67)**
Employers contribution	-	-	-
Benefits paid	(24.50)	-	(24.50)
Balance as on March 31, 2025	**389.15**	**0.10**	**389.24**

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current	317.60	287.20
Current	71.64	66.09
	389.24	**353.29**

(ii) The assumptions used for gratuity valuation are as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest rate	7.03%	7.24%
Discount rate	7.03%	7.24%
Expected return on plan assets	7.03%	7.24%
Salary increase	8% to 10.0%	8% to 10.0%
Attrition rate	15% to 20%	15% to 20%
Retirement age - Years	60	60

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 5.00 years (March 31, 2024: 5.00 years)

The defined benefit plan expose the Group to actuarial risks, such as longevity and interest rate risk.

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate	(16.52)	18.17	(14.94)	16.42
Salary increase	18.28	(17.26)	16.72	(15.79)
Attrition rate	(1.61)	1.68	(1.30)	1.35

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

As of March 31, 2025 and March 31, 2024, the plan assets have been invested in Life Insurance Corporation

The expected contributions to the plan for the next annual period amounts to ₹ 385.65 millions (March 31, 2024: ₹ 353.10 millions).

Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1st Following year	72.07	66.47
2nd Following year	60.28	53.69
3rd Following year	56.24	51.19
4th Following year	52.55	47.92
5th Following year	46.61	42.96
Years 6 to 10	283.95	263.20

29. Research and development expenses

a. Details of Research and development expenses incurred during the year is given below

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Capital	96.24	90.67
Revenue (included in note 22)		
Cost of materials consumed	247.62	223.09
Employee benefit expenses	748.50	697.10
Other expenses		
Analytical fees	273.94	180.89
Rates and taxes	363.35	202.28
Consumption of stores and spares	195.55	192.30
Consultancy charges	192.80	61.33
Other research and development expenses	355.00	428.61
Total	**2,376.76**	**1,985.60**
Total	**2,473.00**	**2,076.27**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

30. Remuneration to statutory auditors

Particulars	March 31, 2025	March 31, 2024
As auditor (excluding taxes)		
Statutory audit	11.61	9.90
Limited review	2.40	2.40
Certification	1.20	1.48
Reimbursement of expenses and taxes	0.53	0.41
Total	**15.74**	**14.19**

31. Related party disclosures

31A. Names of related parties and description of relationship

Name of the related party	Relationship
1 Granules Trust	Enterprises over which key management personnel or their relatives exercise significant influence
2 Product Armor Packaging Private Limited	Enterprises over which key management personnel or their relatives exercise significant influence
3 Chigurupati Family Trust	Enterprises over which key management personnel or their relatives exercise significant influence
Key managerial personnel	
Directors	
1 Dr. Krishna Prasad Chigurupati	Chairman & Managing Director
2 Dr. K.V.S Ram Rao	Joint Managing Director and Chief Executive Officer
3 Mrs. Uma Devi Chigurupati	Executive Director
4 Mr. Harsha Chigurupati	Executive Director
5 Ms. Priyanka Chigurupati (from January 23, 2024)	Executive Director
Others	
6 Mr. Mukesh Surana	Chief Financial Officer
7 Mrs. Chaitanya Tummala	Company Secretary
Non-executive directors	
1 Mr. K. B. Sankar Rao	Non-Executive Director
2 Mr. A. Arun Rao (upto March 31, 2024)	Independent Director
3 Mr. Arun Sawhney	Independent Director
4 Mr. Saumen Chakraborty	Independent Director
5 Mrs. Sucharita Rao Palepu	Independent Director
6 Mr. Kapil Kumar Mehan (from May 05, 2023)	Independent Director
7 Dr. Sethurathnam Ravi (from January 23, 2024)	Independent Director
8 Mr. Rajiv Pritidas Kakodkar (from February 20, 2024)	Independent Director

31B. Transactions during the year

Particulars	March 31, 2025	March 31, 2024
a) Transactions with enterprises over which key management personnel-directors or their relatives exercise significant influence		
i) Granules Trust		
Contribution towards CSR	102.30	114.70
ii) Product Armor Packaging Private Limited		
Purchases of goods	414.99	324.33
ii) Chigurupati Family Trust		
Rent	20.45	-
Rent deposit	30.67	-
b) Transactions with key managerial personnel - directors and their relative		
i) Dr.Krishna Prasad Chigurupati		
Managerial Remuneration	236.84	316.37
ii) Dr. K.V.S Ram Rao		
Managerial Remuneration	93.52	96.55
iii) Mrs. Uma Devi Chigurupati		
Managerial Remuneration	23.68	31.64
iv) Mr.Harsha Chigurupati		
Managerial Remuneration	23.68	31.64
v) Ms.Priyanka Chigurupati		
Managerial Remuneration	23.68	27.41
Settlement of Employee Stock Options	57.04	-
vi) Non-Executive Directors		
Sitting fees	3.46	3.68
Commission	16.58	19.55
c) Transactions with key managerial personnel - others		
i) Salary	40.64	41.89

31C. Closing balances

Particulars	March 31, 2025	March 31, 2024
a) Enterprises over which key management personnel or their relatives exercise significant influence		
i) Product Armor Packaging Private Limited		
Trade payables	20.54	7.95
ii) Chigurupati Family Trust		
Rent deposit receivable	30.67	-
b) Transactions with key managerial personnel - directors and their relative		
i) Managerial commission payable	87.58	5.70

i) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

ii) The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

iii) There were no loans or advances in the nature of loans granted by the Group to promoters, Directors, Key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that were repayable on demand or without specifying any terms or period of repayment.

32. Fair Values

The management assessed that loans, cash and cash equivalents, trade receivables, current borrowings, trade payables and other current 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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Fair Valuation measurement hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Particulars	As at March 31, 2025						
	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Financial assets							
a) Financial assets not measured at fair value							
Other non-current financial assets	-	-	205.11	205.11	-	-	-
Trade receivables	-	-	9,422.18	9,422.18	-	-	-
Cash and cash equivalents	-	-	4,661.14	4,661.14	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,302.61	1,302.61	-	-	-
Other current financial assets	-	-	14.50	14.50	-	-	-
b) Financial assets measured at fair value through OCI							
Non-current investments	-	220.39	-	220.39	-	220.39	-
	-	**220.39**	**15,605.54**	**15,825.93**	**-**	**220.39**	**-**
ii) Financial liabilities							
a) Financial liabilities not measured at fair value							
Non-current borrowings	-	-	3,115.11	3,115.11		-	-
Non-current lease liabilities	-	-	1,591.92	1,591.92	-	-	-
Trade payables	-	-	7,260.69	7,260.69	-	-	-
Other current financial liabilities	19.33	63.07	2,186.73	2,269.13	-	-	-
Current lease liabilities	-	-	97.79	97.79	-	-	-
Current borrowings(including current maturities of non current borrowings)	-	-	9,742.75	9,742.75	-	-	-
	19.33	**63.07**	**23,994.99**	**24,077.39**	**-**	**-**	**-**

Particulars	As at March 31, 2024						
	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Financial assets							
a) Financial assets not measured at fair value							
Other non-current financial assets	-	-	167.03	167.03	-	-	-
Trade receivables	-	-	9,858.33	9,858.33	-	-	-
Cash and cash equivalents	-	-	3,811.00	3,811.00	-	-	-

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2024						
	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Bank balances other than cash and cash equivalents	-	-	52.85	52.85	-	-	-
Other current financial assets	-	-	26.65	26.65	-	-	-
b) Financial liabilities not measured at fair value							
Non-current investments	-	215.15	-	215.15	0.01	215.14	-
Other current financial assets	-	2.38	-	2.38	-	2.38	-
	-	**217.53**	**13,915.86**	**14,133.39**	**0.01**	**217.52**	**-**
ii) Financial liabilities							
a) Financial liabilities not measured at amortised cost							
Non-current borrowings	-	-	689.71	689.71	-	-	-
Non-current lease liabilities	-	-	831.98	831.98	-	-	-
Trade payables	-	-	7,495.26	7,495.26	-	-	-
Other current financial liabilities	-	-	1,262.96	1,262.96	-	-	-
Current lease liabilities	-	-	86.40	86.40	-	-	-
Current borrowings(including current maturities of non current borrowings)	-	-	11,542.55	11,542.55	-	-	-
	-	**-**	**21,908.86**	**21,908.86**	**-**	**-**	**-**

33. 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.

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 analyzing credit limits and 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, investments, 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.

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position 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. The maximum exposure to credit risk was ₹. 9,436.68 millions and ₹. 9,884.98 millions as of March 31, 2025 and March 31, 2024 respectively, being the total of the carrying amount of balances with trade receivables and other financial assets excluding derivative assets.

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Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits of customer. Limits and scoring attributed to customers are reviewed at periodic intervals. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Credit risk on financial assets, except trade receivables is limited as the company generally transacts with banks and financial institutions with high credit rating assigned by international and domestic credit rating agenies. Investment primarily include investment in subsidiaries, associate and joint venture whose carrying value is evaluated by the management at the end of every reporting period for impairment. As at the end of the reporting period, there are no indicators of impairment of investments.

Expected credit loss for trade receivables as at March 31, 2025

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Gross carrying amount of trade receivables	5,702.46	3,544.64	292.34	37.88	29.39	178.54	9,785.25
Expected Credit losses (Loss allowance provision)	-	(36.38)	(110.37)	(28.70)	(23.36)	(164.26)	(363.07)
Net carrying amount of trade receivables	5,702.46	3,508.26	181.97	9.18	6.03	14.28	9,422.18

Expected credit loss for trade receivables as at March 31, 2024

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Gross carrying amount of trade receivables	7,391.26	1,937.61	452.06	148.67	111.17	156.34	10,197.11
Expected Credit losses (Loss allowance provision)	-	(19.89)	(32.41)	(75.20)	(55.00)	(156.28)	(338.78)
Net carrying amount of trade receivables	7,391.26	1,917.72	419.65	73.47	56.17	0.06	9,858.33

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 provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2025:

Particulars	Carrying value	Payable on demand	Less than 1 year	1-2 years	2-5 years	> 5 years	Total
Non current borrowings and interest (including current maturities)	3,632.25	-	517.14	200.00	1,000.00	1,915.11	3632.25
Current borrowings (excluding current maturities of non-current borrowings)	9,225.61	9,225.61	-	-	-	-	9,225.61
Lease liability	1,689.71	-	198.61	117.83	574.00	2,594.55	3,484.99
Trade payables	7,260.69	-	7,260.69	-	-	-	7,260.69
Other financial liabilities	2269.13	-	2,269.13	-	-	-	2,269.13

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024:

Particulars	Carrying value	Payable on demand	Less than 1 year	1-2 years	2-5 years	5-6 years	Total
Non current borrowings and interest (including current maturities)	1,689.86	-	1,009.89	501.44	189.63	-	1,700.96
Current borrowings (excluding current maturities of non-current borrowings)	10,542.40	10,542.40	-	-	-	-	10,542.40
Lease liability	918.38	-	128.35	129.85	297.04	1,039.84	1,595.08
Trade payables	7,495.26	-	7,495.26	-	-	-	7,495.26
Other financial liabilities	1,262.96	-	1,262.96	-	-	-	1,262.96

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, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As the Group's debt obligation with floating interest rates are primarily in USD/EURO which is subject to insignificant change, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on borrowings, as follows:

Particulars	Change in basis points	March 31, 2025	March 31, 2024
INR - Borrowings	+100	(21.28)	(1.90)
	-100	21.28	1.90
USD - Borrowings	+100	(102.13)	(105.42)
	-100	102.13	105.42
EURO - Borrowings	+100	(5.17)	(15.00)
	-100	5.17	15.00

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or 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. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD/EURO against the functional currencies of the Group.

The year end foreign currency exposures are as under -

(All amounts are in Indian Rupees Millions)

Particulars	March 31, 2025		
	USD	EURO	Others
Assets			
Trade receivables	3,925.01	558.53	25.40
Other financial assets	2.09	0.53	-
Cash and cash equivalents	1,172.67	28.20	0.01
Bank balances other than cash and cash equivalents stated above	1,096.60	-	-
Total	**6,196.37**	**587.26**	**25.41**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

(All amounts are in Indian Rupees Millions)

Particulars	March 31, 2025		
	USD	EURO	Others
Liabilities			
Trade payables	3,617.50	14.09	4.78
Other financial liabilities	327.24	246.92	-
Current borrowings (Current maturities of non-current borrowings)	7,407.23	517.14	-
Total	**11,351.97**	**778.15**	**4.78**

(All amounts are in Indian Rupees Millions)

Particulars	March 31, 2024		
	USD	EURO	Others
Assets			
Trade receivables	5,069.33	854.78	49.16
Other financial assets	0.78	1.40	-
Cash and cash equivalents	1,064.97	29.53	0.08
Total	**6,135.08**	**885.71**	**49.24**
Liabilities			
Borrowings	-	500.08	-
Trade payables	2,348.35	29.65	1.46
Other financial liabilities	138.05	95.98	0.05
Current borrowings (Current maturities of non-current borrowings)	9,042.28	1,000.15	-
Total	**11,528.68**	**1,625.86**	**1.51**

Sensitivity analysis:

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollars (USD) and Euro exchange rates, with all other variables held constant. The impact on the Group's profit after tax and equity is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in basis points	USD	EURO
March 31, 2025	+100	(38.57)	(1.43)
	(100)	38.57	1.43
March 31, 2024	+100	(40.35)	(5.54)
	(100)	40.35	5.54

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally actuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. The cost of raw materials forms the largest portion of the Group's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2025, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. Further, Euro denominated debt are designated as hedging instruments in cash flow hedges of forecast sales in Euro. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts and loans match the terms of the expected highly probable forecast transactions (i.e., notional amount and

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts and loans are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following foreign exchange forward contracts

Particulars	Maturity			
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
As at March 31, 2025				
Foreign exchange forward contracts (highly probable forecast sales)				
Notional amount (in ₹ millions)	8,177.45	-	-	8,177.45
Average forward rate (₹ / USD)	85.96	-	-	85.96
Euro denominated debt (highly probable forecast sales)				
Notional amount (in ₹ millions)	427.40	-	-	427.40
Average forward rate (₹ / Euro)	77.01	-	-	77.01
As at March 31, 2024				
Foreign exchange forward contracts (highly probable forecast sales)				
Notional amount (in ₹ millions)	4,300.79	-	-	4,300.79
Average forward rate (₹ / USD)	83.84	-	-	83.84
Euro denominated debt (highly probable forecast sales)				
Notional amount (in ₹ millions)	854.50	427.40	-	1,281.89
Average forward rate (₹ / Euro)	77.01	77.01	-	77.01

The impact of the hedging instruments on the balance sheet is, as follows:

Particulars	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
As at March 31, 2025				
Forward exchange contracts	8,177.45	63.07	Derivative instruments under current financial liabilities	60.69
Euro denominated debt	517.14	517.14	Non-current borrowings and Short-term borrowings	(27.02)
As at March 31, 2024				
Forward exchange contracts	4,300.79	2.38	Derivative instruments under current financial assets	(3.11)
Euro denominated debt	1,500.23	1,500.23	Non-current borrowings and Short-term borrowings	121.44

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

The impact of the hedged item on the balance sheet is, as follows:

Particulars	Change in fair value used for measuring ineffectiveness for the period	Effective portion of cash flow hedge	Cost of cashflow hedge
As at March 31, 2025			
Highly probable forecast sales	33.67	33.67	-
As at March 31, 2024			
Highly probable forecast sales	118.33	118.33	-

The effect of the cash flow hedge in the statement of profit and loss is, as follows:

Particulars	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in the statement of profit and loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit and loss
For the year ended March 31, 2025						
Highly probable forecast sales	33.67	-	-	-	108.82	Revenue from operations
For the year ended March 31, 2024						
Highly probable forecast sales	118.33	-	-	-	161.08	Revenue from operations

Fair value hedges

(i) Impact of hedging activities:

The Group uses foreign exchange forward contracts to hedge against the foreign currency risk of non current borrowings (hedged item). Such derivative financial instruments are governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Disclosure of effects of hedge accounting in the Groups's balance sheet

The Group is holding the following foreign exchange forward contracts

Particulars	Nominal Amount	Carrying Amount		Maturity	Hedge Ratio*	Forward Rate (₹/USD)
		Assets	liabilities			
As at March 31, 2025						
Foreign exchange forward contracts (refer note 13C)	987.19	-	19.33	Jul-26	1:1	87.76
As at March 31, 2024						
Foreign exchange forward contracts	-	-	-	-	-	-

34. Segment reporting

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical products including ingredients and intermediaries. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. The Group's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information of the Group on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Group.

B. Segment information for secondary segment reporting (by geographical segment)

The Group has reportable geographical segments based on location of its customers:

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

(i) Revenue from customers within India – Domestic

(ii) Revenue from customers outside India – Exports

Revenue from any external customer does not exceed 10% of Group's total revenue from operations during the current or previous year

The Group is engaged in the manufacture of Pharmaceuticals, which in the context of Ind AS 108 is considered only business segment.

Particulars	March 31, 2025			March 31, 2024		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	42,107.80	2,708.28	44,816.08	42,807.97	2,255.70	45,063.67
Non-current assets (refer note - i)	6,894.39	23,348.75	30,243.14	7,144.87	17,969.77	25,114.64

Note:

i) Non-current assets for this purpose consist of property, plant and equipment, right-of-use-assets, capital work in progress, intangible assets, intangible assets under development and other non-current assets.

35. Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries and Step-down subsidiary are listed in the table below:

Name	Country of incorporation	% of equity interest	
		March 31, 2025	March 31, 2024
Granules USA Inc	USA	100%	100%
Granules Consumer Health, Inc.	USA	100%	100%
Granules Pharmaceuticals Inc	USA	100%	100%
Granules Europe Limited (Dissolved w.e.f March 18, 2025)	UK	-	100%
Granules Lifesciences Private Limited	India	100%	100%
Granules CZRO Private Limited	India	100%	100%
Granules Peptides Private Limited (Incorporated on March 04, 2025)	India	100%	-

36. Statutory Group Information

Particulars	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Granules India Limited								
Balance as at March 31, 2025	91.59%	34,030.10	63.67%	3,193.36	15.12%	40.85	61.19%	3,234.21
Balance as at March 31, 2024	96.45%	31,109.46	107.55%	4,359.18	41.12%	84.30	104.35%	4,443.48
Subsidiaries								
Foreign								
Granules USA Inc.,								
Balance as at March 31, 2025	(0.38%)	(142.26)	(3.57%)	(179.25)	(0.85%)	(2.30)	(3.43%)	(181.55)
Balance as at March 31, 2024	0.12%	39.40	(4.65%)	(188.39)	0.59%	1.20	(4.40%)	(187.19)

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Granules Pharmaceuticals Inc.,								
Balance as at March 31, 2025	28.75%	10,681.84	37.43%	1,877.40	85.14%	230.07	39.87%	2,107.47
Balance as at March 31, 2024	26.72%	8,620.25	14.55%	589.89	58.29%	119.50	16.66%	709.39
Granules Europe Limited								
Balance as at March 31, 2025	0.00%	(0.00)	0.25%	12.71	0.69%	1.88	0.28%	14.59
Balance as at March 31, 2024	(0.03%)	(10.49)	(0.03%)	(1.32)	0.00%	(0.00)	(0.03%)	(1.32)
Domestic								
Granules Lifesciences Private Limted								
Balance as at March 31, 2025	8.97%	3,331.90	1.10%	55.19	0.02%	0.06	1.05%	55.25
Balance as at March 31, 2024	6.90%	2,226.65	(0.08%)	(3.19)	0.00%	-	(0.07%)	(3.19)
Granules CZRO Private Limited								
Balance as at March 31, 2025	4.78%	1,775.33	(1.10%)	(55.22)	(0.12%)	(0.33)	(1.05%)	(55.55)
Balance as at March 31, 2024	4.59%	1,479.54	(0.11%)	(4.36)	0.00%	-	(0.10%)	(4.36)
Granules Peptides Private Limited								
Balance as at March 31, 2025	5.33%	1,979.78	0.11%	5.28	0.00%	-	0.10%	5.28
Balance as at March 31, 2024	-	-	-	-	-	-	-	-
On account of Eliminations								
Balance as at March 31, 2025	(39.03%)	(14,500.91)	2.11%	105.69	0.00%	-	2.00%	105.69
Balance as at March 31, 2024	(34.76%)	(11,209.37)	(17.24%)	(698.71)	0.00%	-	(16.41%)	(698.71)
Balance as at 31 March, 2025	**100.00%**	**37,155.78**	**100.00%**	**5,015.16**	**100.00%**	**270.23**	**100.00%**	**5,285.39**
Balance as at 31 March, 2024	**100.00%**	**32,255.44**	**100.00%**	**4,053.10**	**100.00%**	**205.00**	**100.00%**	**4,258.10**

37. Subsequent event

No significant subsequent events have been observed till May 28, 2025 which may require any additional disclosure or an adjustment to the Consolidated financial statements other than the items mentioned below

a) Proposed dividend

Refer note 9

b) Acquisition of Senn Chemicals AG

The Group has entered into a Share Purchase Agreement ("SPA") for the acquisition of Senn Chemicals AG on February 21, 2025. The Group has incorporated Granules Peptides Private Limited ("GPPL") (wholly owned subsidiary in India) for the purpose of this acquisition on March 04, 2025. The closing of the acquisition was subject to certain conditions which were subsequently completed on April 10, 2025 and no effect for the same is given in the consolidated financial statements.

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Senn Chemicals AG, founded in 1963 is headquartered in Dielsdorf, Switzerland. It is a privately held Peptide CDMO company that specializes in custom peptide development and manufacturing, supporting global clients across Pharmaceuticals, Cosmetics and Theragnostic industries, from early development to commercial production.

c) Merger of Granules USA Inc., with Granules Pharmaceuticals Inc.

Granules USA Inc., was merged with Granules Pharmaceuticals Inc., USA (both being the wholly owned subsidiaries of the Company) with effect from April 01, 2025.

38. Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by equity. Net debt consists of borrowings including interest accrued on borrowings, lease liabilities, less cash and cash equivalents and other bank balances.

Particulars	March 31, 2025	March 31, 2024
Borrowings including interest accrued on borrowings and lease liabilities	14,547.57	13,168.86
Less: cash and cash equivalents and other bank balances	(5,963.75)	(3,863.85)
Net debt	**8,583.82**	**9,305.01**
Equity share capital	242.54	242.37
Other equity	36,913.24	32,013.07
Total equity	**37,155.78**	**32,255.44**
Capital gearing ratio	0.23	0.29

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

39. The financial statements of each of the subsidiary are drawn up to the same reporting date i.e. year ended March 31, 2025, for the purpose of consolidation.

40. Other Statutory information

i) There are no proceedings initiated or pending against the Group as at March 31, 2025, under Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder (As amended in 2016).

ii) The Group does not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.

iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2025 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) The Group does not have 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.

ix) The Group 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).

x) Title deeds of all immovable properties were held in the name of the Group.

As per our report of even date attached

for **S. R. Batliboi and Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

Navneet Kabra
Partner
Membership No : 102328

Place: Hyderabad
Date: May 28, 2025

for and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Mukesh Surana
Chief Financial Officer

Place: Hyderabad
Date: May 28, 2025

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Chaitanya Tummala
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries

Part "A" : Subsidiaries

Name of the Subsidiary	Granules USA, Inc.,	Granules Pharmaceuticals Inc.,	Granules Europe Limited	Granules Lifesciences Private Limited	Granules CZRO Private Limited	Granules Peptides Private Ltd (Incorporated on March 04, 2025)
1. Reporting period	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025
2. Reporting Currency	USD	USD	GBP	INR	INR	INR
3. Exchange rate as on the last date of the financial year	85.46	85.46	106.43	1.00	1.00	1.00
4. Share capital	11.63	5,645.37	-	3,300.00	1,850.00	2,000.00
5. Other Equity	(153.89)	5,036.47	-	31.88	(74.68)	(20.22)
6. Total Assets	5,700.83	16,733.01	-	7,203.70	1,996.34	2,006.46
7. Total Liabilities	5,843.09	6,263.26	-	3,871.82	221.02	26.68
8. Investments	-	212.09	-	-	-	-
9. Turnover	8,991.36	20,740.81	11.72	621.23	0.22	-
10. Profit/(loss) before taxation	(245.80)	2,393.23	(4.79)	64.76	(55.22)	7.06
11. Provision for taxation	(66.55)	515.83	(17.51)	9.57	-	1.78
12. Profit/(loss) after taxation	(179.25)	1,877.40	12.71	55.19	(55.22)	5.28
13. Proposed Dividend	-	-	-	-	-	-
14. % of shareholding	100%	100%	0% (Dissolved w.e.f March 18, 2025)	100%	100%	100%
15. Country of Incorporation	USA	USA	UK	India	India	India

For and on behalf of the Board of Directors of
Granules India Limited
CIN : L24110TG1991PLC012471

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN : 00020180

Mukesh Surana
Chief Financial Officer

Dr. K.V.S Ram Rao
Joint Managing Director and Chief Executive Officer
DIN : 08874100

Chaitanya Tummala
Company Secretary

Granules India Limited

(CIN: L24110TG1991PLC012471)

Regd. Office: 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India.
Web: www.granulesindia.com, Email: investorrelations@granulesindia.com, Tel:+91-40-69043500.

NOTICE

Notice is hereby given that the 34th Annual General Meeting (AGM) of the members of **Granules India Limited** (the Company) will be held on Thursday, August 07, 2025 at 11.30 A.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business. The meeting venue shall be deemed to be the Registered Office of the Company situated at the 15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India.

ORDINARY BUSINESS:

1. To consider and adopt (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 and the report of Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions:**

   (a) "RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

   (b) "RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 and the report of Auditors thereon be and are hereby considered and adopted."

2. To declare a final dividend of ₹ 1.50 per equity share for the financial year ended March 31, 2025 and, in this regard, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT a final dividend at the rate of ₹ 1.50 per equity share of Re.1/- (One rupee) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2025 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2025."

3. To appoint Mr. Kolli Basava Sankar Rao (DIN: 05167550), who retires by rotation and is being eligible, seeks re-appointment and in this regard and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Kolli Basava Sankar Rao (DIN: 05167550), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. To appoint M/s. Saurabh Poddar & Associates, practicing Company Secretaries as the Secretarial Auditor of the Company for a term of 5 consecutive years and in this regard and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, pursuant to recommendation of the Audit Committee and the Board of Directors, consent of the members of the Company be and is here by accorded for appointment of M/s. Saurabh Poddar & Associates, Practicing Company Secretaries (Firm Registration No: S2012AP177700) (Peer review Certificate No. 6415/2025 dated 7th February, 2025) as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years from the conclusion of this 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.

By Order of the Board of Directors,

Place: Hyderabad
Date: May 28, 2025

Chaitanya Tummala
Company Secretary

NOTES:

1. The Ministry of Corporate Affairs ('MCA'), vide it's General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021, 10/2022 dated 28th December, 2022, 09,2023 dated September 25, 2023 and the latest being 09/2024 dated September 19, 2024 ("MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue. In accordance with the said MCA Circulars and applicable provisions of the Act, the 34th AGM of the Company shall be conducted through VC/OAVM.

2. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the members is not available for this AGM and hence the Proxy Form and Attendance Slip, including the Route map are not annexed to this Notice.

3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the register of members of the Company will be entitled to vote at the AGM.

5. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Annual Report (Annual Report) for FY 2024-25 is being sent only through electronic mode to those members whose email addresses are registered with the Company or Depository Participant(s). Shareholders are also requested to visit the website of the Company https://granulesindia.com/ or the website of the Registrar and Transfer Agent www.kfintech.com or the website of the stock exchanges, NSE and BSE to download the Annual Report and Notice of the AGM.

6. The relevant details, pursuant to regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at this AGM are annexed with this notice.

7. (a) The Company has notified closure of Register of Members and Share Transfer Books from Friday, August 01, 2025 to Thursday, August 07, 2025 (both days inclusive) for the purpose of AGM.

   (b) The Board of Directors of the Company at their Meeting held on May 28, 2025 has recommended a final dividend of ₹ 1.50/- per share on equity share of ₹ 1/- each for the financial year 2024- 25. The final dividend, if declared, at the Annual General Meeting, will be paid on or before September 05, 2025 to the shareholders holding the equity shares of the Company as on the record date fixed for the payment of the dividend i.e., July 31, 2025.

8. Under the Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from the dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ M/s. KFin Technologies Limited (in case of shares held in physical mode) and depositories (in case of shares held in Demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents at https://ris.kfintech.com/form15. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

   Non-resident shareholders can avail beneficial rates under the tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the documents at https://ris.kfintech.com/form15.

   The aforesaid declarations and documents need to be submitted by the shareholders by 5.00 p.m. IST on July 31, 2025.

9. Dividend in case of Non-KYC Compliant Folios:

   Shareholders are requested to note that pursuant to the SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN, choice of nomination, contact details, Mobile number, Bank account details and signature, if any) shall be eligible for payment of dividend in respect of such folios, only through electronic mode with effect from April 01, 2024.

   Shareholders are required to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the Company and the Registrars and Transfer Agent.

10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrars and Transfer Agent, KFin Technologies Limited ("KFintech") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

11. Securities of listed companies can be transferred only in the dematerialised form. In view of this and to avail of various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s. KFin Technologies Limited in case the shares are held by them in physical form.

13. Members are requested to intimate changes, if any, about their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as the name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to M/s. KFin Technologies Limited in case the shares are held by them in physical form.

14. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: https://granulesindia.com/investors/investor-resources/unclaimed-dividend-shares-transferred-to-iepf/. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

(b) Members may note that shares as well as unclaimed dividends transferred to the IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the weblink: http://iepf.gov.in/ IEPFA/refund.html or contact KFintech to lodge a claim for refund of the shares and/or dividend from the IEPF Authority.

15. Due dates for transfer of unclaimed/unpaid dividends for the financial year 2017-18 and thereafter to IEPF:

Financial year	Type of dividend	Due date of transfer
2017-2018	Final	12.10.2025
2018-2019	1st Interim	28.08.2025
	2nd Interim	04.12.2025
	3rd Interim	06.03.2026
	Final	03.10.2026
2019-2020	1st Interim	03.09.2026
	2nd Interim	26.11.2026
	3rd Interim	25.02.2027
	Final	18.09.2027
2020-2021	1st Interim	22.08.2027
	2nd Interim	25.11.2027
	3rd Interim	05.03.2028
	Final	10.09.2028
2021-2022	1st Interim	01.09.2028
	2nd Interim	18.12.2028
	3rd Interim	16.03.2029
	Final	01.09.2029
2022-2023	Final	15.09.2030
2023-2024	Final	18.09.2031

16. Members seeking any information about the accounts or any matter to be placed at the AGM, are requested to write to the Company before 5.00 pm on August 03, 2025 through email on investorrelations@granulesindia.com. The same will be replied to by the Company suitably.

17. Procedure of E-Voting and attending AGM:

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to the E-voting facility provided by the listed entities, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s KFin Technologies Limited (KFintech), on all the resolutions outlined in this Notice. The instructions for e-voting are given below.

ii. However, under SEBI circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual Demat account holders, by way of a single login credential, through their Demat accounts/websites of Depositories / DPs to increase the efficiency of the voting process.

iii. Individual Demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.

iv. The remote e-voting period commences from 9.00 a.m. (IST) on August 04, 2025, and ends at 5.00 p.m. (IST) on August 06, 2025.

v. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as of the cut-off date, i.e. Thursday, July 31, 2025.

vi. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and become a member of the Company after sending the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he/she is already registered with KFintech for remote e-Voting, then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in Demat mode and who acquire shares of the Company and become a member of the Company after sending the Notice and holding shares as of the cut-off date may follow the steps mentioned below under "Login method for remote e-Voting and joining the virtual meeting for Individual shareholders holding securities in Demat mode."

viii. The details of the process and manner for remote e-voting and e-AGM are explained below:

Step 1: Access to the Depositories e-Voting system in case of individual shareholders holding shares in Demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in Demat mode.

Step:3: : Access to join virtual meetings(e-AGM) of the Company on the KFintech system to participate in e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in Demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	**1. User already registered for IDeAS facility:** i). Visit URL: https://eservices.nsdl.com ii). Click on the "Beneficial Owner" icon under "Login" under the 'IDeAS' section. iii). On the new page, enter the User ID and Password. Post successful authentication, click on "Access to e-Voting" iv). Click on the company name or e-Voting service provider and you will be redirected to the e-Voting service provider's website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** i). To register, click on the link: https://eservices.nsdl.com ii). Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii). Proceed with completing the required fields. iv). Follow the steps given in points 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** Open URL: https://www.evoting.nsdl.com/ i). Click on the icon "Login" which is available under the 'Shareholder/Member' section. ii). 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. iii). Post successful authentication, you will request to select the name of the company and the e-Voting Service Provider name, i.e. fintech. On successful selection, you will be redirected to the KFintech e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	**1. Existing users who have opted for Easi / Easiest** i). URL to login to Easi/Easiest: www.cdslindia.com and click on login icon and select New System Myeasi. ii). Login with your registered user id and password. iiii). The user will see the e-voting Menu. The Menu will have links to ESP i.e. KFintech e-Voting portal. iv). Click on the e-voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** The option to register for Easi / Easiest is available at www.cdslindia.com proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote. **3. Alternatively, by directly accessing the e-Voting website of CDSL** i). Visit URL: www.cdslindia.com ii). Provide your Demat Account Number and PAN No. iii). System will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. iv). After successful authentication, the user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress.
Individual Shareholder login through their Demat accounts / Website of Depository Participant	i). You can also log in using the login credentials of your Demat account through your DP registered with NSDL /CDSL for the e-Voting facility. ii). Once logged in, you will be able to see the e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. iii). Click on options available against the Company name or e-Voting service provider – **KFintech** and you will be redirected to the e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve their User ID / Password are advised to use the Forgot user ID and Forgot Password options available at their respective websites.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to logging in through the Depository, i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact the NSDL helpdesk by sending a request to evoting@nsdl.co.in or call at toll-free no: 022-4886 7000 and 022-2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request to helpdesk.evoting@cdslindia.com or contacting at 1800 22 55 33

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech, which will include details of E-Voting Event Number (EVEN), USER ID, and password. They will have to follow the following process:

i. Launch the internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In the case of the physical folio, the User ID will be EVEN (E-Voting Event Number) XXXX, followed by the folio number. In the case of the Demat account, the User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "Log in".

iv. You will now reach the password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9), and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on the first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to log in again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Granules India Limited- AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ Demat account.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and clicking on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, members can log in any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send a scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer's email id dhanu.a@dhhara.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, a member may write to einward.ris@kfintech.com.

ii Alternatively, a member may send an e-mail request at the email id einward.ris@kfintech.com along with a scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of the electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including individuals, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge and Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspots may experience Audio/Video loss due to fluctuations in their respective networks. Therefore, it is recommended to use a Stable Wi-Fi or LAN Connection to mitigate any kind of aforementioned glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number/ folio number, email ID, mobile number at investorrelations@granulesindia.com Questions / queries received by the Company till August 06, 2025 (5.00 p.m. IST) shall only be considered and responded to during the AGM.

vi. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through the e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.

vii. A member can opt for only a single mode of voting i.e., through remote e-voting or voting at the AGM.

viii. The facility of joining the AGM through VC / OAVM shall be available for members on a first-come-first-served basis.

ix. Institutional members are encouraged to attend and vote at the AGM through VC / OAVM.

x. The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and log in through the user ID and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will be opened during the period starting from August 04, 2025 (9.00 a.m. IST) up to August 06, 2025 (5.00 p.m. IST). The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.

xi. The members who wish to post their questions before the meeting can do the same by visiting https://emeetings.kfintech.com. Please log in through the user ID and password provided in the email received from KFintech. On successful login, select the 'Post Your Question' option which will open from August 04, 2025 (9.00 a.m. IST) up to August 06, 2025 (5.00 p.m. IST).

xii. In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or call KFintech's toll-free No. 1-800-309-4001 for any further clarifications.

xiii. The Members, whose names appear in the Register of Members/list of Beneficial Owners as of Thursday, July 31, 2025, being the cut-off date, are entitled to vote on the resolutions outlined in this Notice. A person who is not a member as of the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.

xiv. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If the e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at the toll-free number 1-800-309-4001 or write to them at evoting@kfintech.com.

18. The Company has appointed Mr. Dhanunjaya Kumar Alla, Practicing Chartered Accountant & partner of M/s Dhanunjaya & Haranath to act as a Scrutinizer, to scrutinize the entire voting process fairly and transparently.

19. The electronic voting results along with the Scrutinizer's Report will be placed on the website of the Company and the Stock Exchanges within 48 hours of the conclusion of the AGM.

STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NO. 4 OF THE NOTICE

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of **Resolution No. 4**.

The Board of Directors has, based on the recommendation of the Audit Committee and subject to approval of the members, appointed M/s. Saurabh Poddar & Associates, Practicing Company Secretary (Firm Registration No: S2012AP177700) (Peer review Certificate No. 6415/2025 dated 7th February, 2025) as Secretarial Auditor of the Company for a term of five (5) consecutive years to hold office from the conclusion of the 34th AGM till the conclusion of the 39th AGM.

Rationale for appointment as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The firm is registered as a Practising Company Secretary firm with the Institute of Company Secretaries of India (ICSI) and has a Peer Review Certificate No. 6415/2025 dated 7th February, 2025 issued by the Institute of Company Secretaries of India (ICSI). His expertise covers Corporate Legal Compliance, Corporate Governance, Advisory and Consulting.

M/s. Saurabh Poddar & Associates has the capability to serve a diverse and complex business landscape, as that of the Company, audit experience in the Company's operating segments and possesses the technical knowledge best suited to handle the scale, diversity and complexity associated with the audit of the Secretarial matters of the Company.

M/s. Saurabh Poddar & Associates has given its consent to act as the Secretarial Auditor of the Company and has confirmed that its appointment, if made, will be within the limit specified under section 204 of the Companies Act, 2013. He also confirmed that he is not disqualified to be appointed as Secretarial Auditor in terms of the provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder, read with Regulation 24A of the Listing Regulations.

In view of the qualifications and experience in undertaking the Secretarial Audit, it is proposed to appoint M/s. Saurabh Poddar & Associates as Secretarial Auditor of the Company. The Board, based on the recommendations of the Audit Committee, approved a remuneration of ₹ 3,25,000/- plus taxes as applicable and reimbursement of out-of-pocket expenses for FY26.

The Remuneration payable to M/s. Saurabh Poddar & Associates for the financial year ending FY 27 and thereafter will be as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.

None of the Directors and Key Managerial Personnel of the Company, or any of their relatives, are in any way concerned or interested financially or otherwise in the proposed resolution.

The Board recommends the Ordinary Resolution outlined in **Resolution No. 04** for approval by the members of the Company.

ANNEXURE TO THE NOTICE

Disclosure under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings.

Details of Directors seeking appointment / re-appointment at the Meeting.

Name of the Director	Mr. Kolli Basava Sankar Rao
Date of birth	January 10, 1954
Qualification	M. Pharma
Nature of appointment	Re-appointment
Terms and conditions of appointment /re-appointment	Liable to retire by rotation
Remuneration last drawn by such person, if applicable and remunerations sought to be paid	Sitting Fees for attending the Board and Committee meetings and commission were paid along with other Non-Executive Directors as approved by the members.
Date of first appointment on the Board	February 19, 2013
Relationship with other Directors on the Board	None
Expertise in the specific functional area	He has more than three decades in various domains including manufacturing, projects, supply chain, quality, R&D and business strategy.
Brief profile	Mr. K. B. Sankar Rao is an M.Pharm from Andhra University and has rich experience of more than three decades in various domains including manufacturing, projects, supply chain, quality, R&D and business strategy. Mr. K. B. Sankar Rao was associated with various reputed organizations like Warner Hindustan, Cipla and Dr. Reddy's. He led large teams in manufacturing while institutionalising systems and processes to drive efficiencies. He was involved in the implementation of 'Theory of Constraints' principles to improve due date performance in R&D. He was instrumental in deploying a self-managed team concept to empower the workforce in manufacturing while driving productivity. Mr. K.B. Sankar Rao was the Managing Director of Raje Retail Private Limited, a pharmacy retail chain under the brand name- "My Health Pharmacy" in Hyderabad.
Directorship in other listed Companies in the last three years	NIL
Directorship in other Indian Companies	None
Chairperson/member of the Committees of the Board of Directors of the Company	1. Business Review Committee – Chairman 2. Risk Management Committee – Member
Chairperson/member of the Committees in other Companies, including listed entities in which he is a Director	None
Number of meetings of the Board attended during the financial year 2024-25	06 out of 06
Number of shares held in the Company as of the Date of Notice i.e., May 28, 2025	29,07,330

By Order of the Board of Directors

Chaitanya Tummala
Company Secretary

Hyderabad, May 28, 2025

Green House Gas (GHG) Emission Report FY 24-25

The Granules GHG Emissions Report provides a comprehensive overview of the Granules India Limited (GIL) and subsidiaries (GPI ,GUSA ,GLS ,GCZRO) greenhouse gas emissions, covering Scope 1, Scope 2, and Scope 3 categories.

As part of our commitment to reducing environmental impact, we have analyzed emissions directly under our control (Scope 1), such as fuel combustion in company-owned facilities and vehicles, as well as indirect emissions from purchased electricity, steam, and heating (Scope 2).

And Scope 3 emissions are accounted for, encompassing emissions across our entire value chain, from supplier activities to product use and disposal. Recognizing that Scope 3 emissions often represent the largest portion of our carbon footprint, we are working to collaborate with suppliers, optimize operations, and engage stakeholders throughout our supply chain.

Note: Category 11, 13, 14, 15 are Not Applicable, as this categories is not relevant to Granules business

Granules Scope 3 quantification methodology is aligned with the GHG accounting standard and ISO 14064, which provides guidance on the quantification and reporting of greenhouse gas emissions. Due to variations in data availability and the nature of each category, we have employed different methodologies for different categories

FY 24-25	Category	Unit	Granules (Standalone)	Granules (Subsidiaries)				Granules (Consolidated)
			GIL	GLS	GCZRO	GPI	GUSA	
SCOPE-1	Direct Emissions from Fuels	tCO_2e	57,414	155	42	1,893	145	59,649
SCOPE-2 (Location Based)	Indirect Emissions from Electricity Consumptid	tCO_2e	60,148	5,963	333	1,642	349	68,435
SCOPE-2 (Market Based)	Indirect Emissions from Electricity Consumptid	tCO_2e	18,853	5,963	333	1,642	349	27,140
	Scope 1+Scope 2 (Market Based)	tCO_2e	**76,267**	**6,118**	**375**	**3,535**	**494**	**86,789**
SCOPE-3	Category 1-Purchased Goods & Services	tCO_2e	3,60,046	2,519	11,629	2,016	1,410	3,77,621
SCOPE-3	Category 2-Capital Goods	tCO_2e	17,521	29,324	1,261	2,352	151	50,609
SCOPE-3	Category 3 - Fuel and Energy Related Activities	tCO_2e	24,196	1,590	97	700	111	26,694
SCOPE-3	Category 4-Upstream Transportation & Distribution	tCO_2e	8,488	2,201	23	82	168	10,962
SCOPE-3	Category 5-Waste Generated from Operations	tCO_2e	2,074	48	1	52	29	2,203
SCOPE-3	Category 6- Business Travel	tCO_2e	377	4	24	50	36	491
SCOPE-3	Category 7-Employee Commuting	tCO_2e	1,064	57	3	316	227	1,667
SCOPE-3	Category 8-Upstream Leased Assets	tCO_2e	341	-	-	954	162	1,457
SCOPE-3	Category 9-Downstream Transportation & Distribution	tCO_2e	20,648	99	-	288	187	21,221
SCOPE-3	Category 10-Processing of Sold Products	tCO_2e	29,905			-	-	29,905
SCOPE-3	Category 11 - Use of Sold Products	tCO_2e	-	-	-	-	-	-
SCOPE-3	Category 12-End of Life Treatment of sold products	tCO_2e	3,402	0.327	-	0.205	-	3,403
SCOPE-3	Category 13-Downstream Leased Assets	tCO_2e	-	-	-	-	-	-
SCOPE-3	Category 14-Franchises	tCO_2e	-	-	-	-	-	-
SCOPE-3	Category 15-Investments	tCO_2e	-	-	-	-	-	-
	Scope 3 emissions	tCO_2e	**4,68,062**	**35,842**	**13,038**	**6,811**	**2,481**	**5,26,233**
	Scope 1 +Scope2 (Market Based) +Scope 3	tCO_2e	**5,44,329**	**41,960**	**13,413**	**10,346**	**2,975**	**6,13,022**

GHG Quantification Methodlogy

SCOPE 1 - QUANTIFICATION METHODOLOGY

For calculating scope 1 emissions, we have included data pertaining to three categories:

Fugitive emissions from refrigerants

A 'purchase-based approach' has been used to arrive at the activity data for the consumption of refrigerants. To calculate fugitive GHG emissions, the Intergovernmental Panel on Climate Change (IPCC) and DEFRA emission factors have been referenced.

Stationary combustion

The key fuel sources considered for arriving at the activity data are furnace oil, coal, HSD, Natural gas, gasoline. To quantify emissions, the relevant guidelines from IPCC and Department for Environment, Food and Rural Affairs (DEFRA) have been referenced for emission factors.

Wastewater

Most of our Manufacring units sending the Wastewater to Third party CETPs (common effluent treatment plants for treatment) for treatment and Disposal. Hence Emissions from Transportation and Treatment of Effluent is captured at Relevant category of SCOPE-3 i.e Category 5:Waste Generated in Operations.

Biogenic Emissions

Biogenic emissions have been estimated for biomass-based fuels, specifically wood chips and bio-briquettes, used in our boiler operations. Activity data has been sourced from actual fuel consumption records. Emission factors for biogenic CO2 have been referenced from the UK Department for Environment, Food and Rural Affairs (DEFRA) database.

These emissions are reported separately from fossil CO2 emissions, in line with global greenhouse gas accounting standards.

SCOPE 2 - QUANTIFICATION METHODOLOGY

Scope 2 emissions data encompasses activity data from grid electricity consumption. We have adopted a location-based approach for selecting the emission factors, due to unavailability of source-specific emission factors. For the Estimation of Scope-2 Emissions, we have adopted emission factors published by Central Electricity Authority of India.

SCOPE 3 QUANTIFICATION METHODOLOGY

We have aligned our methodology to GHG accounting standard & ISO 14064 (Guidance on quantification and reporting of greenhouse gas emissions). Due to variation in data availability & nature of category, we have used different methodologies for different categories.

Scope 3 Category No	Scope 3 Category Description	Methodology
1	Purchased Goods and Services	Supplier-specific method (~ 85%) Hybrid method (~ 15%)
2	Capital Goods	Hybrid method Average-product method
3	Fuel- and Energy-Related Activities	Average-data method
4	Upstream Transportation and Distribution	Distance-based method
5	Waste Generated in Operations	Waste-type-specific method
6	Business Travel	Distance-based method
7	Employee Commuting	Fuel-based method
8	Upstream Leased Assets	Lessor-specific method
9	Downstream Transportation and Distribution	Distance-based method
10	Processing of Sold Products	Average-data method
11	Use of Sold Products	Not Applicable, as this category is not relevant
12	End-of-Life Treatment of Sold Products	Average-data method
13	Downstream Leased Assets	Not Applicable, as this category is not relevant
14	Franchises	Not Applicable, as this category is not relevant
15	Investments	Not Applicable, as this category is not relevant

Category 1 -Purchased Goods and Services

At Granules, the majority of our purchased goods and services emissions originate from Active Pharmaceutical Ingredients (APIs) , Key Startup Materials (KSMs), Solvents and Packaging materials .Key raw materials include PAP, Acetic Anhydride, DCDA, Ibuprofen and Metformin HCL Etc..

Methodology Used: Supplier-specific method & Hybrid method using the Primary and Secondary data.

Category 2 -Capital Goods

At Granules, the majority of our capital goods emissions originate from purchase of pharma manufacturing equipment's. Granules procures many capital goods that aid its operations of producing API, PFI and finished dosages. Key capital goods include compression machines, tablet printing machines, coating granulators, air receiver tanks etc.,

Methodology Used: Hybrid method &Average-product method using the Primary and Secondary data.

Category 3 - Fuel- and Energy-Related Activities

At Granules, we consume the electricity and fuels like Coal, HSD, Furnace oil etc in the manufacturing operations of pharmaceutical products. Hence, the majority of our Fuel and Energy related activities emissions originate from generation and transmission of electricity from grid and extraction, exploration, production and transportation of the fuels like Coal, Diesel, Furnace oil.

Methodology Used: Average-data method using the Primary data.

Calculation formula Upstream CO2e emissions of purchased fuels (extraction, production, and transportation of fuels : ∑ (fuel consumed (e.g., kWh) × upstream fuel emission factor (kg CO2e)/kWh))

Source of Emission Factors Used: India Specific Road Transport Emission Factors, India GHG Program, 2015 & EcoInvent

Category 4 - Upstream Transportation and Distribution

At Granules, the majority of our upstream transportation and distribution emissions generated during the transportation of all materials like APIs ,RM ,KSMs ,Packaging materials etc used in our pharmaceutical product manufacturing. Majority of the suppliers of raw materials, packing materials and MRO (Maintenance, Repair & Operations) items used in the manufacturing of our products are situated in India and China. RM and PM are usually transported from the suppliers / traders' site by sea and road with air shipments constituting a small share of the inbound shipments.

Methodology Used: Distance-based method using the Primary data.

Calculation formula Distance-based method (transportation):

sum across transport modes and/or vehicle types:

= ∑ (mass of goods purchased (tonnes or volume) × distance travelled in transport leg (km) × emission factor of transport mode or vehicle type (kg CO2e/tonne or volume/km))

Source of Emission Factors Used: India Specific Transport Emission Factors, India GHG Program, 2015 & DEFRA

Category 5 - Waste Generated in Operations:

At Granules, the majority of our "Waste generated in operations" emissions generated during the transportation, treatment , disposal of Waste and Waste water generated in the pharmaceutical manufacturing process.

As a company that produces pharmaceutical APIs, PFIs and finished dosages, we generate and dispose waste under two categories namely liquid waste (effluent) and solid waste. Solid waste is further divided into sub-categories basis the chosen disposal methods.

Effluent waste undergoes primary treatment within Granules' premises and is then disposed to Central Effluent Treatment Plants (CETPs). The methods of treatment of various solid wastes are described below.

All the figures for absolute emissions include both emissions due to transportation of the waste to respective 3rd party treatment facilities and emissions due to treatment of the waste in such facilities

Methodology Used: Waste-type-specific method using the Primary Data

Calculation formula Waste-type-specific method:

∑ (waste produced (tonnes or m3) × waste type and waste treatment specific emission factor (kg CO2e/tonne or m3))

Source of Emission Factors Used: EcoInvent, USEPA and other Emission factors from Secondary Research Reports

Category 6 - Business Travel

At Granules, the majority of our "business travel "emissions generated during the travelling (by road ,by train ,by air , including local travel by bus ,car ,auto etc) and staying during the business visits like meetings, conferences, site visits, and training sessions.

Primary modes of transportation used by employees during business travel are flights and cars for which company authorized travel service partners are available. Employees also use trains, buses and hotels during business travel for which they are reimbursed at actuals basis rules outlined in the company travel policy guidelines.

Methodology Used: Distance-based method using the Primary data

Calculation formula Distance-based method:

∑ (distance travelled by vehicle type (vehicle-km or passenger-km) × vehicle specific emission factor (kg CO2e/vehicle-km or kg CO2e/passenger-km))

Source of Emission Factors Used: India Specific Transport Emission Factors, India GHG Program, 2015 & DEFRA

Category 7 - Employee Commuting

At Granules, the majority of our "employee commuting" emissions generated through employees travel between home and work places by various modes of transportation used by employees such as Company provided bus, employee owned vehicles like two wheeler ,car and public transport like bus, metro, train, auto etc.

Methodology Used: Fuel-based method & Distance-based method using the Primary data

Calculation formula Distance-based method:

total distance travelled by vehicle type (vehicle-km or passenger-km)

= ∑ (daily one-way distance between home and work (km) × 2 × number of commuting days per year)

Source of Emission Factors Used: India Specific Transport Emission Factors, India GHG Program, 2015 & DEFRA

Category 8 - Upstream Leased Assets:

At Granules, the majority of our 'upstream leased assets' emissions generated from Leased Ware houses , Guest house/Hostels ,Laptops etc .Granules has taken warehouses, hostels and IT assets on lease basis. The emissions from the utilisation of these assets for operations of Granules been estimated in this category.

Methodology Used: Lessor-specific method using the Primary data

Calculation formula Lessor-specific method:

∑ (scope 1 and scope 2 emissions of lessor (kg CO2e) area, volume, quantity, etc., of the leased asset/ total area, volume, quantity, etc., of lessor assets

Source of Emission Factors Used: India Specific Transport Emission Factors, India GHG Program, 2015, DEFRA & EcoInvent

Category 9 - Downstream Transportation and Distribution

At Granules, The majority of our downstream transportation and distribution emissions generated during the transportation of Finished dosage formulations , Pharmaceutical formulation Ingredients (PFIs) and Active Pharmaceutical Ingredients (APIs). Majority of the customers of Granules India Limited are concentrated in Europe, Americas and Australia. Typical products include API (Active Pharmaceutical Ingredient), PFI (Pharmaceutical Formulation Intermediate) and Finished Dosage (FD) that are primarily shipped to customers via sea and air. For domestic customers, sales primarily comprise of API with a small portion of PFI which are transported via road.

Methodology Used: Distance-based method using the Primary data.

Calculation formula Distance-based method (transportation):

sum across transport modes and/or vehicle types:

= ∑ (mass of goods purchased (tonnes or volume) × distance travelled in transport leg (km) × emission factor of transport mode or vehicle type (kg CO2e/tonne or volume/km))

Source of Emission Factors Used: India Specific Transport Emission Factors, India GHG Program, 2015 & DEFRA

Category 10 - Processing of Sold Products:

Granules India Limited Manufactures Active Pharmaceutical Ingredients (API) and Pharmaceutical Formulation Intermediates (PFIs) which are sold to other pharma companies that transform them further into Finished Dosage (FD) for use by end consumers.

Methodology Used: Average-data method using the Secondary data.

Calculation formula Average-data method:

∑ (mass of sold intermediate product (kg) × emission factor of processing of sold products (kg CO2e/kg of final product))

Category 11 - End-of-Life Treatment of Sold Products

Granules India Limited sells a mix of Active Pharmaceutical Ingredients (API), Pharmaceutical Formulation Intermediates (PFI) and Finished Dosages (FD) to its customers. We have accounted for treatment of waste from processing of sold APIs / PFIs to FD by our customers. We have further accounted for the packaging waste disposed once finished dosages, produced by Granules India Ltd., are consumed by our customers.

Methodology Used: Average-data method using the Secondary data.

Source of Emission Factors Used: US EPA Emissions factors hub, 2023,

Exclusions:

Category 12 - Use of Sold Products: This category is not relevant to Granules operations, all the final products are consumed by the end users

Category 13 - Downstream Leased Assets: This category is not relevant to Granules as there are no downstream leased assets.

Category 14 - Franchises: This category is not relevant to Granules as there are no Franchises.

Category 15 – Investments: This category is not relevant to Granules as there are no Investments

UNCERTAINTY:

The GHG emissions reported for Scope 1, Scope 2, and Scope 3 include inherent uncertainties due to estimation methodologies and data limitations. For Scope 1 and Scope 2 emissions, which cover direct and energy-related emissions under our operational control, uncertainties are minimized through direct measurement and utility data; however, minor variability may occur due to the accuracy of fuel and electricity data collection methods

Scope 3 emissions reporting for Granules involves inherent uncertainties due to the complexity and variability of the data sources across the value chain. Since these emissions largely depend on activities outside Granules' direct control—such as supplier operations, product transport, and end-of-life treatment—estimating them accurately presents significant challenges. Data reliability issues, varying supplier reporting practices, limited primary data availability, and the use of industry averages or estimation models contribute to this uncertainty.

Granules recognizes these limitations and is committed to continuously refining its data collection and estimation processes. Through engagement with suppliers, adoption of advanced calculation methodologies, and leveraging of more accurate data sources, Granules aims to improve the accuracy of its Scope 3 inventory over time, thereby enhancing its alignment with the GHG Protocol requirements and supporting its broader sustainability goals.

ESG Performance Table

Production & Revenues	Unit	FY 22-23	FY 23-24	FY 24-25
Total Production	MT	56906	60626	50075
Revenues - Consolidated	Million INR	45119	45064	44816
Revenues - Standalone	Million INR	39312	37550	30302
Energy	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Total Electricity consumption	MWh	77078	84066	82735
Electricitiy from Renewable Sources (PPA +On-site + I-RECs)	MWh	7565	39885	56803
% of Renewable Energy share of consumed Electricity	**%**	**9.8%**	**47.4%**	**68.7%**
Fuels Consumption				
Coal Consumption	MT	22149	21732	21855
HSD consumption	KL	742	508	469
Furnance Oil Consumption	MT	64.50	63.62	61.30
Petrol Consumption	KL	0.76	3.26	3.1
Energy by Source				
Energy From Electricity Consumption	TJ	277.5	302.6	297.85
Energy From Fuels Consumption	TJ	592.2	573.3	583.23
Total Enegy in TJ	TJ	869.7	875.95	881.1
Energy Intensity -TJ/Production	**TJ/MT**	**0.01528**	**0.01445**	**0.01760**
GHG Emissions	Unit	FY 22-23	FY 23-24	FY 24-25
Scope-1	tCO2e	56,265	56,254	57,414
Scope-2 (Market-Based)	tCO2e	56,306	31,632	18,853
Scope-2 (Location -Based)	tCO2e	62,433	60,191	60,148
Scope-1 +2 (Market Based)	**tCO2e**	**1,12,571**	**87,886**	**76,267**
Scope-1 +2 (Location Based)	**tCO2e**	**1,18,698**	**1,16,445**	**1,17,562**
Scope-3 GHG Emissions				
Category 1 - Purchased Goods & Services	tCO2e	4,95,807	5,14,516	3,60,046
Category 2 - Capital Goods	tCO2e	4,705	10,265	17521
Category 3 - Fuel and Energy Related Activities	tCO2e	26,788	22,579	24196
Category 4 - Upstream Transportation & Distribution	tCO2e	8,392	8,557	8488
Category 5 - Waste Generated from Operations	tCO2e	2,992	3,571	2074
Category 6 - Business Travel	tCO2e	295	850	377
Category 7 - Employee Commuting	tCO2e	1,476	1,571	1064
Category 8 - Upstream Leased Assets	tCO2e	587	1,628	341
Category 9 - Downstream Transportation & Distribution	tCO2e	22,381	24,827	20648
Category 10 - Processing of Sold Products	tCO2e	46,658	41,187	29905
Category 11 - Use of Sold Products	tCO2e	-	-	-
Category 12 - End of Life Treatment of sold products	tCO2e	4,031	4,287	3,402
Category 13 - Downstream Leased Assets	tCO2e	-	-	-
Category 14 - Franchises	tCO2e	-	-	-
Category 15 - Investments	tCO2e	-	-	-
Total SCOPE-3 Emissions	**tCO2e**	**6,14,113**	**6,33,837**	**4,68,062**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**tCO2e/ Tons of Production**	**1.98**	**1.45**	**1.52**
Scope 3 emission Intensity in terms of physical output	**tCO2e/ Tons of Production**	**10.79**	**10.45**	**9.35**
Air emissions	Unit	FY 22-23	FY 23-24	FY 24-25
NO_x	MT	124.1	65.3	59.55
SO_x	MT	230.9	198.56	175
Particulate matter (PM)	MT	89.3	82.08	72.34
Persistent organic pollutants (POP)	MT	0	0	0

Production & Revenues	Unit	FY 22-23	FY 23-24	FY 24-25
Volatile organic compounds (VOC)	MT	0	0	0
Hazardous air pollutants (HAP)	MT	0	0	0
Water & Waste Water	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Water withdrawal by source				
Surface water	KL	0	0	0
Ground Water	KL	0	0	0
Third Party Water	KL	341008	368002	3,56,980
Seawater/ Desalinated Water	KL	0	0	0
Rainwater Harvesting	KL	11,143	0	2169
Total volume of water withdrawal	**KL**	**3,52,151**	**3,68,002**	**3,59,149**
Total volume of water consumption	**KL**	**1,93,125**	**2,26,083**	**2,16,823**
Water intensity in terms of physical output	**KL/ Tons of Production**	**6.19**	**6.070**	**7.172**
Waste Water Generated (LTDS+HTDS)	KL	1,59,026	141919	142326
Recycle of Waste Water Generated	KL	81804	55083	62928
Percentage generated Waste Water Recycled	%	51%	39%	44%
Water discharge by destination and level of treatment (in kilolitres)				
To Surface water	KL	0	0	0
To Groundwater	KL	0	0	0
To Seawater	KL	0	0	0
Sent to third-parties	KL	68821	79,216	78,968
Waste	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Haz.Waste disposed to Landfill	MT	406.32	398.373	584.255
Haz.Waste disposed to Incineration	MT	63.235	71.52	69.344
Haz.Waste disposed to Co-processing	MT	2664.07	3482.355	2540.54
Total Hazardous Waste	**MT**	**3133.6**	**3952.2**	**3194.1**
Plastic waste	MT	1081.7	1106.6	873.4
Non-Hazadous Waste (Other than Plastic Waste)	MT	1946.9	2170.3	2004.3
Bio Medical Waste	MT	1.228	3.009	5.7
Battery Waste	MT			4.38
E-Waste	MT	1.55	1.26	3.76
Waste Oil	MT	3.5	2.57	0.25
Total Waste	**MT**	**6169**	**7236**	**6086**
Waste Intensity	**MT/ Tons of Production**	**0.108**	**0.119**	**0.122**
Employees and workers	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
No.of Employees	No's	3650	4057	4066
No. of Male	No's	3410	3741	3684
No.of Female	No's	240	316	382
New Hires	No's	1588	1406	1327
Attrition	No's	1387	1020	1204
Work Men (Upto Sr.Executive)	No's	3058	3377	3362
Executives (Above Sr.Executive)	No's	592	680	704
<30 Yrs	No's	1938	2178	2191
30-50 Yrs	No's	1630	1792	1781
>50 Yrs	No's	82	87	94
No.of Contract Work Employees	No's	2223	2467	2100
No. of Male	No's	1806	2022	1699
No.of Female	No's	417	445	401
Total Work Force	**No's**	**5873**	**6524**	**6166**
% of Female Employees	%	6.6%	7.8%	9.4%
% of Female Work Force (Overall)	**%**	**11.2%**	**11.7%**	**12.7%**

Production & Revenues	Unit	FY 22-23	FY 23-24	FY 24-25
% of Attrition	**%**	**38.0%**	**25.1%**	**29.6%**
Return to work rate	**%**	**97%**	**100%**	**100%**
Retention rate	**%**	**80%**	**100%**	**88%**
Women representation on Board of Directors	**%**	**20%**	**25%**	**25%**
No.of complaints made by employees and workers	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Working Conditions	No's	0	0	0
Health & Safety	No's	0	0	0
Sexual Harassment	No's	1	0	1
Discrimination at workplace	No's	0	0	0
Child Labor	No's	0	0	0
Forced Labor /Involuntary Labor	No's	0	0	0
Wages	No's	0	0	0
Complaints on POSH as a % of female employees/workers	%	0.15%	0.00%	0.13%
Number of consumer complaints:	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Data privacy	No's	0	0	0
Advertising	No's	0	0	0
Cyber-security	No's	0	0	0
Delivery of essential services	No's	0	0	0
Restrictive Trade Practices	No's	0	0	0
Unfair Trade Practices	No's	0	0	0
Instances of corruption and bribery	No's	0	0	0
No .of Complaints/grievances	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Communities	No's	0	0	0
Investors (other than shareholders)	No's	0	0	0
Shareholders	No's	0	0	2
Employees and workers	No's	0	0	0
Customers	No's	414	486	580
Value Chain Partners	No's	0	0	0
Product Quality & Safety	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Instances of product recalls on accounts of safety issues	No's	0	0	2
Fines/ Penalties/ Punishment/ Compounding fees/ Settlement	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Penalty/ Fine (Monetary)	INR	0	0	0
Settlement (Monetary)	INR	0	0	0
Compounding fee (Monetary)	INR	0	0	0
Imprisonment (Non-Monetary)	No's	Nil	Nil	Nil
Punishment (Non-Monetary	No's	Nil	Nil	Nil
% Of employees covered by	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Health insurance	%	100	100	100
Accident insurance	%	100	100	100
Maternity benefits	%	100	100	100
Paternity benefits	%	100	100	100
Daycare facilities	%	100	92.3	94.8
Median remuneration / wages:	**Unit**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Median remuneration/ salary/wages - Male	INR Lakh/Annum	4.5	4.77	7.41
Median remuneration/ salary/wages - Female	INR Lakh/Annum	3.74	3.74	6.3
Gross wages paid to females as % of total wages paid by the entity, in the following format:	%	7.17	6.69	6.3

Production & Revenues	Unit	FY 22-23	FY 23-24	FY 24-25
Minimum wages paid to employees and workers				
Employees				
Equal to minimum wage	%	0%	0%	0%
More than minimum wage	%	100%	100%	100%
Workers				
Equal to minimum wage	%	95%	99%	98%
More than minimum wage	%	5%	1%	2%
Complaints with regard to conflict of interest	Unit	FY 22-23	FY 23-24	FY 24-25
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No's	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	No's	0	0	0
% Of employees covered by retirement benefits	Unit	FY 22-23	FY 23-24	FY 24-25
PF	%	100%	100%	100%
Gratuity	%	100%	100%	100%
ESI - No. of employees covered (as a % of total employees)	%	23%	20%	19%
ESI - No. of workers covered (as a % of total workers	%	99%	99%	99%
Trainings & Performance and Career Development Review	Unit	FY 22-23	FY 23-24	FY 24-25
Performance and career development reviews	%	79.7%	83.7%	83%
provided training on human rights issues and policy	%	100%	100%	100%
Trainnig Hours -GMP	Man-Hours	2,89,391	2,86,783	4,01,110
Trainnig Hours -EHS Trainings	Man-Hours	13,695	13,463	26,269
Other Trainings (External Technical & Behavioural)	Man-Hours	3,425	9,761	35,478

Safety Performance	Unit	FY 22-23	FY 23-24	FY 24-25
Reportable Incidents -Employees	No's	1	0	1
Reportable Incidents -Workers	No's	0	2	1
Lost Time Injury Frequency Rate for Employees (LTIFR) (per one million-person hours worked)	LTI-FR	0.12	0	0.11
Lost Time Injury Frequency Rate for Workers (LTIFR) (per one million-person hours worked)	LTI-FR	0	0.30	0.14
Total recordable work-related injuries -Employees	No's	7	23	6
Total recordable work-related injuries -Workers	No's	11	15	20
High consequence work-related injury or ill-health - Employees (excluding fatalities)	No's	1	0	0
High consequence work-related injury or ill-health - Workers (excluding fatalities)	No's	0	0	0
No. of fatalities -Employees	No's	0	0	0
No. of fatalities -Workers	No's	0	2	0
Man Hours Worked - Employees	Man-Hours	80,81,100	89,82,198	9002124
Man Hours Worked - Workers	Man-Hours	73,02,555	66,42,270	6898500
Man days Lost for Employees	Man-Days	5,400	-	30
Man days Lost for Workers	Man-Days	-	12,000	30
Lost time injury (LT I) severity rate for Employees - (number of days lost due to injuries) x 1,000 / total hours worked	LTI-SR	0.67	0	0.0033
Lost time injury (LT I) severity rate for Workers - (number of days lost due to injuries) x 1,000 / total hours worked	LTI-SR	0	1.807	0.0043

UNGC Index

Since 2023, Granules has proudly participated in the United Nations Global Compact (UNGC), reaffirming our commitment to its ten principles covering human rights, labor, environment, and anti-corruption. Through this commitment, we actively contribute to the advancement of the UN Sustainable Development Goals (SDGs) and uphold transparency in our sustainability efforts by submitting an annual Communication on Progress (CoP), highlighting our initiatives and achievements.

WE SUPPORT UN GLOBAL COMPACT

	Principle	Statement	Page Number
Human rights	**Principle 1**	Businesses should support and respect the protection of internationally-proclaimed Human Rights	99, 181 181-184
	Principle 2	Businesses should make sure that they are not complicit in Human Rights abuses	
Labour rights	**Principle 3**	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	181-184
	Principle 4	Eliminate all forms of forced and compulsory labor	
	Principle 5	The effective abolition of child labor	
	Principle 6	The elimination of discrimination in respect of employment and occupation	
Environment	**Principle 7**	Businesses should support a precautionary approach to environmental challenges	118-142, 184-192
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption	**Principle 10**	Businesses should work against corruption in all its forms, including extortion and bribery	167, 391



GRI Index

Statement of use	Granules India has reported the information cited in this GRI content index for the period 1st April 2024-31st March 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Section/Sub section	Page No
GRI 2: General Disclosures 2021	2-1 Organizational details	BRSR Section A (General Disclosures)	153-154 & 156
	2-2 Entities included in the organization's sustainability reporting	BRSR Section A (General Disclosures)	153-154 & 156
	2-3 Reporting period, frequency and contact point	About the Report	1
	2-4 Restatements of information	About the Report	1
	2-5 External assurance	About the Report	1
	2-6 Activities, value chain and other business relationships	Business Overview	22–23
	2-7 Employees	ESG Snapshot, Human Capital, ESG Performance Table	5, 88-99, 390
	2-8 Workers who are not employees	Human Capital, ESG Performance Table	90, 390
	2-9 Governance structure and composition	Governance	44–59
	2-10 Nomination and selection of the highest governance body	Governance – Board Composition	45
	2-11 Chair of the highest governance body	Governance	48-49
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	48-49
	2-13 Delegation of responsibility for managing impacts	Governance	48-49
	2-14 Role of the highest governance body in sustainability reporting	Governance	48-49
	2-15 Conflicts of interest	BRSR (Principle 1)	167
	2-16 Communication of critical concerns	Risk Management, Risks and Mitigation, Enterprise Risk Management , Disclosures	38–41, 203, 210, 239
	2-17 Collective knowledge of the highest governance body	Governance / Board Expertise, Core Skills / Expertise / Competencies of the Board of Directors	45, 233
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	237
	2-19 Remuneration policies	Corporate Governance Report	237
	2-20 Process to determine remuneration	Corporate Governance Report	237
	2-21 Annual total compensation ratio	Corporate Governance Report	237-238
	2-22 Statement on sustainable development strategy	Chairman and Managing Director's Perspective	16-17
	2-23 Policy commitments	Policies and Procedures, Ethics/ Governance Policies, BRSR (Section B)	47, 228, 161
	2-24 Embedding policy commitments	BRSR (Section B)	161
	2-25 Processes to remediate negative impacts	Risk Management	38–41
	2-26 Mechanisms for seeking advice and raising concerns	BRSR (Section A)	156-157
	2-27 Compliance with laws and regulations	Governance / Ethics	44
	2-28 Membership associations	Memberships and associations & BRSR (Principle 7)	63, 192-193
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	34–37
	2-30 Collective bargaining agreements	BRSR (Principle 3)	174
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	32-33
	3-2 List of material topics	Materiality Assessment, BRSR (Section A)	32-33, 157-160
	3-3 Management of material topics	Materiality Assessment, BRSR (Section A)	33, 157-160
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Reviewing FY25 Performance, Financial Capital	5, 68-69
	201-2 Financial implications and other risks and opportunities due to climate change	BRSR (Section A)	157
	201-3 Defined benefit plan obligations and other retirement plans	ESG Performance Table, BRSR (Principle 3)	392, 172
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR (Principle-1)	167
	205-2 Communication and training about anti-corruption policies and procedures	BRSR (Principle 1)	167
	205-3 Confirmed incidents of corruption and actions taken	BRSR (Principle-1), ESG Performance Table	167, 391
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital (GHG Emissions), ESG Performance Table, BRSR (Principle-6)	128, 385, 389, 186
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital (GHG Emissions), ESG Performance Table, BRSR (Principle-6)	128, 385, 389, 186
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital (GHG Emissions), ESG Performance Table, BRSR (Principle-6)	128, 385, 389,190
	305-4 GHG emissions intensity	Natural Capital (GHG Emissions), ESG Performance Table, BRSR (Principle 6)	187, 190
	305-5 Reduction of GHG emissions	FY25 Performance, Value creation model, Natural Capital, BRSR, Board's Report	04, 31, 127, 151, 163, 187, 191, 224
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural capital (Air emissions)	132
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital (Waste Management), BRSR (Principle 6)	138-142, 188
	306-2 Management of significant waste-related impacts	Natural Capital (Waste Management), BRSR (Principle 6)	138-142, 188
	306-3 Waste generated	Natural Capital (Waste Management), BRSR (Principle 6), ESG Performance Table	141-142, 188, 390
	306-4 Waste diverted from disposal	Natural Capital (Waste Management), BRSR (Principle 6), ESG Performance Table	141-142, 188, 390
	306-5 Waste directed to disposal	Natural Capital (Waste Management), BRSR (Principle 6), ESG Performance Table	141-142, 188, 390
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social and Relationship Capital (Supplier sustainability Program)	112-117
	308-2 Negative environmental impacts in the supply chain and actions taken	"Social and Relationship Capital (Supplier sustainability Program)"	112-117
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital - Talent management, ESG performance, BRSR	90, 91, 155, 390
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR (Principle-3), ESG performance	172, 391
	401-3 Parental leave	BRSR (Principle -3)	173
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Service Contract, Severance Fees, and Notice Period	237
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital (Occupational health and safety), BRSR (Principle 3)	96-97, 175-177

GRI Standard / Other Source	Disclosure	Section/Sub section	Page No
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital (Occupational health and safety)	97
	403-3 Occupational health services	Human Capital (Occupational health and safety), BRSR (Principle 3)	96-98, 175-176
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital (Occupational health and safety), BRSR (Principle 3)	96-98, 175-176
	403-5 Worker training on occupational health and safety	Human Capital (Occupational health and safety), BRSR (Principle 3), ESG Performance	96, 174, 392
	403-6 Promotion of worker health	Human Capital (Occupational health and safety), BRSR (Principle 3)	96-98, 175-176
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (Occupational health and safety), BRSR (Principle 3)	96-98, 175-176
	403-8 Workers covered by an occupational health and safety management system	Human Capital (Occupational health and safety), BRSR (Principle 3)	96-98, 175-176
	403-9 Work-related injuries	Human Capital (Occupational health and safety), ESG Performance	98, 392
	403-10 Work-related ill health	Human Capital (Occupational health and safety), ESG Performance	98, 392
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital (Training and development), ESG Performance	92, 392
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital (Training and development), BRSR (Principle 3)	92-94, 174, 177
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital (Training and development), BRSR (Principle 3)	92, 174
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance, BRSR (Section A)	45, 155
	405-2 Ratio of basic salary and remuneration of women to men	BRSR (Principle 5)	181
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR (Principle 5)	177
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	BRSR (Principle 5)	184
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR (Principle 5)	183
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR (Principle 5)	184
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Capital (Training), BRSR (Principle 5)	92, 181
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital, BRSR (Principle 8)	102-111, 195
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital, BRSR (Principle 8)	102-111, 195
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital (Supplier sustainability Program)	112-117
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital (Supplier sustainability Program)	112-117
GRI 415: Public Policy 2016	415-1 Political contributions	Financial Statement	290
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	BRSR (Principle 9)	197-198
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	BRSR (Principle 9)	197-198
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	BRSR (Principle 9)	198
	417-2 Incidents of non-compliance concerning product and service information and labeling	BRSR (Principle 9)	197-198
	417-3 Incidents of non-compliance concerning marketing communications	BRSR (Principle 9)	197-198
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR (Principle 9)	197-198



Independent Assurance Report for BRSR and GRI Frameworks

INDEPENDENT ASSURANCE STATEMENT

To

The Management of Granules India Limited

Introduction and objectives of work

The Management of **Granules India Limited** (hereafter stated as "**Granules**" or the "Company") have engaged Bureau Veritas (BV) for providing ***Reasonable Assurance*** engagement for BRSR (Core) parameters (**Refer to Annexure-1**) and ***Limited Assurance*** for non-core parameters (**Refer to Annexure-2**) provided in the Business Responsibility & Sustainability Report of the Company for the year ended March 31, 2025.

Intended User

The Assurance Statement is made solely for "Granules" and its stakeholders as per the governing contractual terms and conditions of the assurance engagement contract between "Granules" and "Bureau Veritas". To the extent that the law permits, we owe no responsibility and do not accept any liability to any party other than "Granules" for the work we have performed for this assurance report, or our conclusions stated in the paragraph below.

The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation / measurement errors and omissions.

Scope of Work

We have performed the ***Reasonable Assurance*** engagement as described in the Securities and Exchange Board of India's (SEBI) circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July12, 2023 & SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 and clarifications thereto, read with applicable SEBI Regulations and prescribed format, as amended, for BRSR (Core) parameters and ***Limited Assurance*** engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and in line with the requirements of Bureau Veritas's standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance for the reporting period **1st April 2024 to 31st March 2025** .

The reporting boundaries considered for this reporting period are as follows.

Site Name/ Location	Site Address
CORPORATE OFFICE	15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India.
API UNIT-I	Sy. No. 533, 535, 536, 537 Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana State, India
API UNIT - II	Plot No. 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 055, Telangana State, India.
API UNIT - III	Sy.No.216, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana State, India.

API UNIT - IV	Plot No 8, J.N. Pharma City, Tadi Village, Parawada Mandal, Anakapalli District – 531 019, Andhra Pradesh, India.
API UNIT - V	Plot No. 30, J. N. Pharma City, Parawada Mandal, Anakapalli District – 531 019, Andhra Pradesh, India
FINISHED DOSAGE UNIT	160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District – 500 043, Telangana State, India.
R&D Unit - 1	Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram Village, Qutbullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 072, Telangana State, India.
R&D Unit - 2	Survey Nos. 234/1 to 4 and 6 to 7, 235 /6 to 9 and 245/1 to 3, India Land Global Industrial Park, Hinjewadi Phase -1, Mulshi Taluka, Pune District – 411 057, Maharashtra State, India
R&D Unit - 3	H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Medchal- Malkajgiri District, Hyderabad – 500 072, Telangana State, India.
R&D Unit - 4	Lab No: 11 & 13, Building No:1800, Sy No. 101,101/2 & 340, M. N. Park, Genome Valley, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal- Malkajgiri District, 500 078, Telangana State, India

As part of its Independent Assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported. In this process, we undertook the following activities:

Assessment was conducted by means of physical site visits at Hyderabad's Corporate office, API Unit I, Finished Dosage Unit, R&D Units 3 & 4, API Unit IV & V.

Bureau Veritas interviewed personnel of Company including HR & Admin, EHS, Engineering & Maintenance, SCM, Finance & Accounts, Quality Assurance & Quality Control, Legal & Compliance, Information Technology and other relevant departments and review of Company's data & information systems for collection, aggregation, analysis and review.

- The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas.
- The Company submitted performance data on reported BRSR Core Indicators. The data pertaining to selected sites was assessed by Bureau Veritas during the audit visit and through the process above described.
- Data on various BRSR Core disclosures was assessed for the locations as mentioned above. Later, it was confirmed that the same assessed data went into preparation of the final data within the BRSR Report of FY: 2024-25.

Management Responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the Business Responsibility and Sustainability report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of BRSR (FY 2024-25). Our sole responsibility is to provide Independent Assurance on the Sustainability report for the financial year ended 31st March 2025.

Our findings
On the basis of our methodology and the activities described above,

- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures in the BRSR.
- The Business Responsibility and Sustainability Report (FY 2024-25) provides a fair representation of the Company's activities as included therein.
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.

a) Reasonable Level of Assurance for BRSR (Core) Parameters:

On the basis of our methodology and the activities described above, it is our opinion that the for FY 2024-25 of "Granules India Limited", containing its reporting and declaration of the BRSR (Core) parameters from the operations within the reporting boundary and the reporting period, as described above, is prepared in all material respects in line with the applicable criteria here before stated and in accordance with "Reasonable Assurance" criteria.

b) Limited Level of Assurance for BRSR (Non-Core) Parameters:

Nothing has come to our attention to indicate that the BRSR (Non-Core) disclosures are inaccurate or that the information included therein is not fairly stated.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by the Company and statements of future commitment).
- Competitive claims in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of the Company outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

Our assurance on economic and financial performance data or information of the Company is based only on the annual audited statement of accounts of the Company for the Financial Year 2024-25 and our conclusions rest solely upon that audited report.
This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 196 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Granules India Limited.

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our Assurance report for Business Responsibility and Sustainability Report (Core and Non-core Parameters for FY 2024-25) has been prepared and addressed to the Management of Granules India Limited at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities.

Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Nagabhushan BILIANGADI Lead Assuror Bureau Veritas (India) Private Limited Hubballi, India **Dt: 08.07.2025**	Munji Rama Mohan RAO Technical Reviewer Bureau Veritas (India) Private Limited Hyderabad, India **Dt: 09.07.2025**

Annexure-1

Reasonable level of assurance is provided for following '9 Indicators included in BRSR-Core Attributes'

Sl. No	Attribute	Parameter	Verified Values for the FY 2024-25
1	Greenhouse Gas (GHG) Footprint	Scope 1 Emissions	57,414 tCO_2e
		Scope 2 Emissions	18,853 tCO_2e
		GHG Emission Intensity	1.52 tCO_2e /Ton of Production
2	Water Footprint	Total Water Consumption	2,16,823 kL
		Water Intensity	4.33 kL/Ton of Production
		Water Discharge	78,968 kL
3	Energy Footprint	Total Energy Consumed	881.18 TJ
		% from Renewable Sources	24.19 %
		Energy Intensity	0.0176 TJ/Ton of Production
4	Waste Management (Circularity)	Category-wise Waste Generation	Plastic waste: 873.4 MT E-Waste: 3.75 MT Bio-Medical Waste: 5.71 MT Battery Waste : 4.37 MT Other Hazardous waste:3194.38 MT Other Non-hazardous waste generated: (Break-up by composition i.e. by materials relevant to the sector) Metal Scrap (MS, Aluminium etc) Paper and Paper Board Glass Waste Wood Waste: 2004.3 MT Total : 6086.0 MT
		Waste Intensity & Recovery	0.122 MT/Ton of Production
5	Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	0.256%
		Safety Incidents	Lost Time Injury Frequency Rate (LTIFR) Employees: 0.11 Workers: 0.14
			Total recordable work-related injuries Employees: 6 Workers: 20
6	Gender Diversity	Wages Paid to Females	6.3%
		POSH Complaints	1 (0.26%)
7	Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India	Directly sourced from MSMEs/ small producers: 5.8% Sourced directly from within the district and neighbouring districts: 54%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Rural 10.97% Semi-urban 76.32% Urban 6.99% Metropolitan 5.76%
8	Customer & Supplier Fairness	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	0
		Number of days of accounts payable	160 Days
9	Business Openness	Related Party Transactions & Concentration	**Concentration of Purchases** Purchases from trading houses as % of total purchases **0%** Number of trading houses where purchases are made from **0%** Purchases from top 10 trading houses as % of total purchases from trading house **0%** **Concentration of Sales** Sales to dealers/distributors as % of total sales **0.79%** Number of dealers /distributors to whom sales are made **2** Sales to top 10 dealers/distributors as % of total sales to dealers/distributors **NA**
			Share of RPTs in Purchases (Purchases with related parties / Total Purchases) **4.93%** Sales (Sales to related parties / Total Sales) **46.54%** Loans & advances (Loans & advances given to related parties / Total loans & advances) **0** Investments (Investments in related parties / Total Investments made) **99.9%**

Annexure 2

Limited level of assurance is provided for following non-financial BRSR indicators:

Section A	General Disclosures- 25
Section C	Principle Wise Performance Disclosure
Principle 1	Essential Indicator 1
Principle 2	Essential Indicator 1
Principle 3	Essential Indicator 1-a, b, 2, 5, 8, 9, 13 and 14
Principle 5	Leadership Indicator 4
Principle 6	Leadership Indicator 2
Principle 8	Leadership Indicator 6
Principle 9	Essential Indicator 3 and 4

INDEPENDENT ASSURANCE STATEMENT

To

The Management of Granules India Limited

Introduction and objectives of work

The Management of **Granules India Limited** (hereafter stated as "Granules" or the "Company") have engaged us to undertake an Independent Assurance of the company's Sustainability report for the financial year ended **31st March 2025** (**i.e., Granules India Limited-Sustainability Report (FY 2024-25)** and provide **Reasonable Assurance** Statement on the aforesaid report. Granules India Limited has prepared the Sustainability Report with reference to Global Reporting Initiative (GRI) Standards, 2021 with stated parameters **(Annexure 1)** for the reporting period (FY 2024-25), based on which this overall assessment has been carried out. This Assurance Statement applies to the related information included within the scope of work described below.

Intended User

The intended user of this assurance statement is Granules India Limited. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this assurance Statement. Bureau Veritas planned and performed the work to obtain the evidence, considered necessary to provide a basis for our assurance opinion.

The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation / measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

Scope of Work

We have performed the **Reasonable Assurance** engagement for Sustainability report prepared with reference to GRI Standards 2021, verification engagement in accordance with ISAE 3000 methodology and in line with the requirements of Bureau Veritas's standard procedures and guidelines for External Assurance of Sustainability Reports, based on current best practice in independent assurance for the reporting period 1st April 2024 to 31st March 2025. The selected GRI disclosures referred to in Appendix – 1 for this statement.

The reporting boundaries considered for this reporting period are as follows.

Site Name/ Location	**Site Address**
CORPORATE OFFICE	15th Floor, Granules Tower, Botanical Garden Road, Kondapur, Hyderabad – 500084, Telangana, India.
API UNIT-I	Sy. No. 533, 535, 536, 537 Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana State, India
API UNIT - II	Plot No. 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 055, Telangana State, India.

API UNIT - III	Sy.No.216, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana State, India.
API UNIT - IV	Plot No 8, J.N. Pharma City, Tadi Village, Parawada Mandal, Anakapalli District – 531 019, Andhra Pradesh, India.
API UNIT - V	Plot No. 30, J. N. Pharma City, Parawada Mandal, Anakapalli District – 531 019, Andhra Pradesh, India
FINISHED DOSAGE UNIT	160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District – 500 043, Telangana State, India.
R&D Unit - 1	Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram Village, Qutbullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 072, Telangana State, India.
R&D Unit - 2	Survey Nos. 234/1 to 4 and 6 to 7, 235 /6 to 9 and 245/1 to 3, India Land Global Industrial Park, Hinjewadi Phase -1, Mulshi Taluka, Pune District – 411 057, Maharashtra State, India
R&D Unit - 3	H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Medchal- Malkajgiri District, Hyderabad – 500 072, Telangana State, India.
R&D Unit - 4	Lab No: 11 & 13, Building No:1800, Sy No. 101,101/2 & 340, M. N. Park, Genome Valley, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal- Malkajgiri District, 500 078, Telangana State, India

As part of its Independent Assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported. In this process, we undertook the following activities:

The assessment was carried out through physical site visits at Hyderabad's Corporate Office, API Unit I, Finished Dosage Unit, R&D Units 3 and 4, and API Units IV and V.

Bureau Veritas interviewed personnel of Company including HR & Admin, EHS, Engineering & Maintenance, SCM, Finance & Accounts, Quality Assurance & Quality Control, Legal & Compliance, Information Technology and other relevant departments and review of Company's data & information systems for collection, aggregation, analysis and review.

Data on various GRI disclosures were assessed for the locations that were visited. Later, it was confirmed that the same assessed data went into preparation of the final data within the Sustainability Report 2024-25.

Management Responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the Sustainability report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of Sustainability Report. Our sole responsibility is to provide Independent Assurance on the Sustainability report for the financial year ended 31st March 2025.

Our findings

On the basis of our methodology and the activities described above,

▪ Nothing has come to our attention to indicate that the GRI disclosures are inaccurate or that the information included therein is not fairly stated.

▪ It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures with reference to GRI.

▪ The Sustainability Report provides a fair representation of the Company's activities as included therein.

▪ The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

• Activities outside the defined assurance period.

• Positional statements (expressions of opinion, belief, aim or future intention by the Company and statements of future commitment).

• Competitive claims in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of the Company outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

Our assurance on economic and financial performance data or information of the Company is based only on the annual audited statement of accounts of the Company for the Financial Year 2024-25 and our conclusions rest solely upon that audited report.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability disclosures in the Granule India Limited's Sustainability Report for the year ended 31-03-2025, prepared with reference to the GRI Standards 2021, are not fairly presented, in all material respects.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 196 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.
The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Granules India Limited.

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our **Reasonable Assurance** report for Sustainability Report have been prepared and addressed to the Management of Granules India Limited at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Nagabhushan BILIANGADI
Lead Assuror
Bureau Veritas (India) Private Limited
Hubballi, India
Dt: 10.07.2025

M Rama Mohan RAO
Technical Reviewer
Bureau Veritas (India) Private Limited
Hyderabad, India
Dt: 11.07.2025

Appendix-1

GRI Standard	Disclosure
General disclosures	
GRI 2: General Disclosures 2021	2-1 Organisational details
	2-2 Entities included in the organization's sustainability reporting
	2-3 Reporting period, frequency and contact point
	2-4 Restatements of information
	2-5 External assurance
	2-6 Activities, value chain and other business relationships
	2-7 Employees
	2-8 Workers who are not employees
	2-9 Governance structure and composition
	2-10 Nomination and selection of the highest governance body
	2-11 Chair of the highest governance body
	2-12 Role of the highest governance body in overseeing the management of impacts
	2-13 Delegation of responsibility for managing impacts
	2-14 Role of the highest governance body in sustainability reporting
	2-15 Conflicts of interest
	2-16 Communication of critical concerns
	2-17 Collective knowledge of the highest governance body
	2-18 Evaluation of the performance of the highest governance body
	2-19 Remuneration policies
	2-20 Process to determine remuneration
	2-21 Annual total compensation ratio
	2-22 Statement on sustainable development strategy
	2-23 Policy commitments
	2-24 Embedding policy commitments
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Compliance with laws and regulations
	2-28 Membership associations
	2-29 Approach to stakeholder engagement
	2-30 Collective bargaining agreements
Material topics	

GRI 3: Material Topics 2021	3-1 Process to determine material topics
	3-2 List of material topics
	3-3 Management of material topics
Anti-Corruption	
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed incidents of corruption and actions taken
Energy	
GRI 302: Energy 2016	302-1 Energy consumption within the organization
	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reductions in energy requirements of products and services
Water	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource
	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
Emissions	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions
	305-4 GHG emissions intensity
	305-5 Reduction of GHG emissions
	305-6 Emissions of ozone-depleting substances (ODS)
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions
Waste	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
Employment	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full- time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
Occupational Health and Safety	

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health
Training and Education	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
Diversity and Equal Opportunity	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees
Non-discrimination	
GRI 405: Diversity and Equal Opportunity 2016	406-1 Incidents of discrimination and corrective actions taken
Local Communities	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities
Customer Health and Safety	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services
Customer Privacy	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Notes

Corporate Information

BOARD OF DIRECTORS

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director – Non-Independent

Dr. K.V.S. Ram Rao
Joint Managing Director & CEO – Non-Independent

Mrs. Uma Devi Chigurupati
Executive Director – Non-Independent

Mr. Harsha Chigurupati
Executive Director – Non-Independent

Mrs. Priyanka Chigurupati
Executive Director – Non-Independent

Mr. Kolli Basava Sankar Rao
Director – Non-Executive, Non-Independent

Mr. Arun Sawhney
Director - Non-Executive, Independent

Dr. Saumen Chakraborty
Director – Non-Executive, Independent

Mrs. Sucharita Rao Palepu
Director – Non-Executive, Independent

Mr. Kapil Kumar Mehan
Director – Non-Executive, Independent

Dr. Sethurathnam Ravi
Director – Non-Executive, Independent

Mr. Rajiv Pritidas Kakodkar
Director – Non-Executive, Independent

CHIEF FINANCIAL OFFICER

Mr. Mukesh Surana

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Chaitanya Tummala

REGISTERED OFFICE

M/s. Granules India Limited
15th Floor, Granules Tower,
Botanical Garden Road, Kondapur,
Hyderabad – 500084, Telangana, India
Ph: 91-40-69043500
Fax: 91-40-23115145
E-mail: investorrelations@granulesindia.com

STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants
The Skyview 10, 18th Floor, Zone B, Survey No. 83/1,
Raidurgam, Hyderabad – 500 032,

INTERNAL AUDITORS

M/s. Dhanunjaya & Haranath, Chartered Accountants
302, Wings, 8-3-960/6/2, Srinagar Colony,
Hyderabad – 500 073,

SECRETARIAL AUDITORS

M/s. Saurabh Poddar & Associates,
4-1-6/A/1, 2nd Floor, AB Chambers, Street No. 6, Tilak Road,
Abids, Hyderabad – 500 001

REGISTRAR & TRANSFER AGENT

M/s. KFin Technologies Limited
Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Toll-free number: 1-800-309-4001
Email: einward.ris@kfintech.com
Website: www.kfintech.com



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