GRANULES

Where strategy meets

Evolving Healthcare Needs, Science & Sustainability.



Granules India Limited
Integrated Annual Report FY 2025-26

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Our Report's Cover

This year's Integrated Annual Report, "Where Strategy Meets Evolving Healthcare Needs, Science & Sustainability," reflects Granules India's continued transformation into a science led, globally competitive pharmaceutical company. The cover symbolises our purpose of improving lives by responding to changing healthcare needs through innovation, quality and sustainable growth.

The rising sun represents new possibilities, while the family walking together reflects our commitment to patients, communities and future generations. It also signifies the balance between scientific progress, responsible business practices and long term value creation.

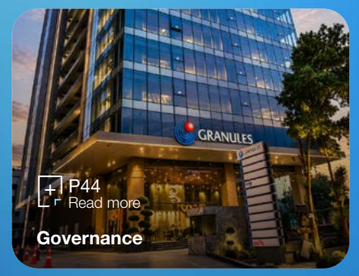


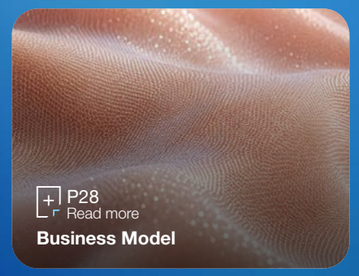
The report highlights our progress in expanding complex generics, strengthening regulatory excellence, advancing peptide therapeutics, enhancing manufacturing capabilities and embedding sustainability across our operations. Together, these milestones demonstrate how strategy, science and sustainability come together to shape the future of healthcare and create lasting value for all stakeholders.











About the Report

We are pleased to present the Integrated Annual Report of Granules India Limited for FY 2025-26. 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 (IIRC) 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 2025-26 (1st April 2025-31st March 2026) and is published on an annual basis, in alignment with the company's financial reporting cycle.

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

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

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

The disclosures and performance related to environmental and social indicators covered under Human Capital, Social and Relationship Capital, and Natural Capital , as well as the Business Responsibility and Sustainability Report (BRSR), are presented on a standalone basis for Granules India Limited. Key environmental and social performance information related to the Company's subsidiaries is disclosed separately in the relevant sections of this report.

Reporting Standards and Frameworks

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 25-26. 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. Details of the assurance level and the type of assurance obtained are provided in the respective sections. 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/.

In an industry defined by constant evolution, meaningful progress is shaped by the ability to anticipate change, respond with agility and create solutions that remain relevant in a rapidly transforming healthcare landscape. At Granules India, we continue to strengthen our role in advancing healthcare by combining scientific expertise, integrated capabilities and responsible growth to create meaningful impact across global markets.

From integrated generics to high-entry-barrier products, we are building a robust portfolio designed for scale, resilience and long-term value creation. Our focus remains on strengthening capabilities, fostering confidence and enabling our people to translate knowledge into meaningful outcomes across functions, operations and partnerships.

As one of the few Indian pharmaceutical companies with integrated capabilities across APIs, PFIs and Finished Dosages, we recognise the growing importance of global partnerships in strengthening healthcare supply chains and expanding access to quality medicines. From our integrated pharmaceutical platform to strategic acquisitions that combine Swiss expertise with robust manufacturing scale in India, we continue to deepen collaborations with partners and peers across the world to collectively shape the future of healthcare. This strategic expansion is also strengthening our participation in specialised therapeutics and higher-value opportunities, enabling us to build a more diversified and future-ready pharmaceutical business.

We believe that innovation driven by science and guided by purpose is fundamental to delivering safe, effective and high-quality medicines that people can trust. Our efforts remain focused on strengthening healthcare systems through the consistent and reliable supply of essential medicines, while continuing to build responsibly through operational excellence, sustainable practices and long-term value creation embedded across our operations.

We believe transformation becomes inevitable when opportunity meets determination. Rooted in the belief that healthcare is a responsibility, especially towards those who cannot afford it, this philosophy continues to shape our approach towards responding to evolving healthcare needs, advancing innovation with purpose and creating sustainable impact for communities, healthcare systems and stakeholders worldwide.

About Us

Advancing Healthcare through Science, Scale and Integrated Excellence

Granules India offers a diverse and continually evolving portfolio to the global pharmaceutical market, spanning Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs), Finished Dosages (FDs) and Peptides CDMO products. Guided by science and a clear focus on advancing high-value, specialised therapies, our teams are committed to delivering safe, effective and affordable medicines that meet the expectations of partners and patients across geographies.

This integrated capability enables a seamless journey from concept to market, underpinned by rigorous compliance at every stage of development and production. Our large-scale manufacturing platform, strong regulatory framework and process-driven approach enable us to advance global healthcare, we are taking a deliberate step towards strengthening localised partnerships and shaping sustainable value creation.



Innovation and Quality

148
Total dossiers Filed

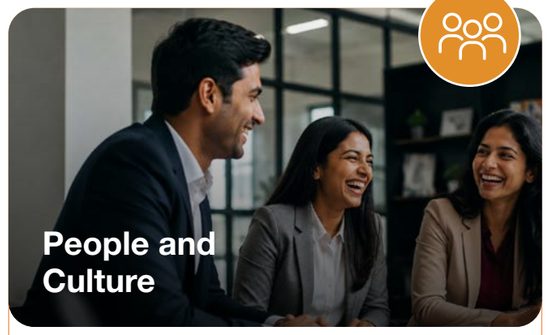
59
Complex Gx Filed

₹ 2,853 Mn
R&D Expenditure

6
R&D Centres

139
Patents Filed

441
Scientists Across R&D



People and Culture

6,523
Total Workforce

14%
Women Workforce

Zero
Reportable Incidents

2,61,766
Training Hours Delivered

100%
Return to work rate

65%
Reduction in Recordable Incidents



Financial Strength

₹ 53,656 Mn
(+20% compared to FY25)
Revenue

₹ 11,851 Mn
(+25% compared to FY25)
EBITDA

₹ 5,950 Mn
(+19% compared to FY25)
Profit After Tax

17.6%
ROCE

65%
Gross Margin

₹ 247.8 Mn
Equity Share Capital



Operational Excellence

10
Manufacturing Facilities

80+
Countries Served

39 Bn+
Annual FD Dosage Capacity

100+
Molecules

300+
Global Customers



Sustainability

98%
Share of Renewable Electricity through onsite Solar, PPA, I-RECs

64,467 tCO_2e
Avoided GHG Emissions

39%
Water Recycled and Reused

2,39,951 KL
Water Consumed

90,299 MWh
Electricity Consumed

93%
Waste Diversion Rate from Landfill



Governance and Trust

55%
Independent Directors on the Board

27%
Women Representation on the Board

Zero
Data Privacy Breaches

82%
Supplier ESG Assessment Coverage

3.5+ lakhs
Lives positively touched

100%
Ethics and Compliance Training Coverage

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.

Management's Message



Dr. Krishna Prasad Chigurupati
Chairman & Managing Director

Granules has returned to a clear growth trajectory, anchored in a structural reset of the portfolio toward complex, differentiated products and disciplined execution across our core operating platforms.

Dear Shareholders,

The world of healthcare is being reshaped by forces that are both challenging and full of promise. Aging populations, the rising burden of chronic and lifestyle diseases, expanding access to treatment across emerging economies and the growing need for affordable medicines continue to support long-term growth in global pharmaceutical demand. At the same time, the operating environment is becoming more complex. Pricing pressures in mature generics markets, rising regulatory expectations, and supply chain realignment are accelerating the shift towards complex generics, specialty products and value-added manufacturing.

India is well-positioned within this evolving global order. Built on decades of manufacturing scale, scientific capability and regulatory expertise, the Indian pharmaceutical industry continues to strengthen its role in global healthcare delivery. India's pharmaceutical exports crossed US$31 billion in FY26 despite global headwinds, underlining both the resilience of the sector and the growing role of Indian companies in regulated and emerging markets alike. This is a responsibility that Granules India embraces with conviction.

It is within this context that we present our Integrated Annual Report for FY2025–26. We believe enduring value is created where strategy aligns with evolving healthcare needs, science translates ambition into innovation, and sustainable values guide responsible growth. This intersection continues to shape our decisions, our investments and our transition toward a more differentiated, science-led pharmaceutical platform.

A Year of Deliberate Reset and Measurable Progress

FY2025–26 was a landmark year for Granules India. We crossed the ₹50,000 million revenue milestone, delivering total revenue of ₹53,656 million, a growth of 20% year-on-year. EBITDA grew 25% to ₹11,851 million. Profit after tax stood at ₹5,950 million, up 19% year-on-year.

Gross margins reached a record 65%, representing a structural expansion of approximately 1,500 basis points since FY2022, driven by a deliberate shift in portfolio mix toward complex and differentiated products. Importantly, this performance reflects more than operating leverage; it points to a structural strengthening of the business as our mix moves steadily up the value chain.

These results were delivered against a backdrop of elevated remediation expenditure, increased logistics costs and ongoing regulatory engagement, making the performance all the more meaningful. Six consecutive quarters of sequential revenue growth underscore that the progress we are seeing is increasingly structural and reflects a stronger, more resilient business foundation.

Strengthening the Foundation

Throughout FY2025–26, we maintained an uncompromising focus on quality and regulatory compliance, viewing compliance not as an episodic requirement, but as an institutional capability that must be continuously strengthened.

At our Gagillapur facility, we made significant progress on remediation, completing all key corrective actions on schedule and submitting our responses to the USFDA within stipulated timelines. Our engagement with the regulator remained constructive and transparent throughout. As we enter FY2027, we do so with the site audit-ready, remediation substantially complete and confidence in a positive outcome.

Beyond Gagillapur, we made significant regulatory progress across our manufacturing network, with 6 of our 8 facilities holding a clean EIR position and recent positive outcomes at GLS and GCH Packaging further strengthening our credibility in regulated markets.

Our US operations at GPI continued their strong trajectory, with the company moving to the 27th position among all US generic pharmaceutical companies by sales value, up from 74th in FY2021, and establishing a leadership position in the controlled substances space.

Moving Up the Value Chain

The portfolio transformation we set in motion several years ago is now clearly reflected in our financial results. During FY26, the share of Complex Generics in our formulations portfolio increased to 43% from 31%, demonstrating tangible progress in our strategy to build a more differentiated and higher-quality earnings base.

Finished dosages remain the core of our business, with North America continuing to anchor revenue and Europe emerging as a high-growth market, reflecting our intent to build a more geographically diversified growth model over time.

Our portfolio outlook is increasingly exciting, with a growing pipeline of complex generic opportunities, including potential first-to-file (FTF), Day 1 and Day 181 opportunities in high-value areas such as CII (controlled substances) products and oncology. Our R&D pipeline has deepened considerably, with a growing proportion of filings directed toward complex generics. Applications from our Gagillapur facility, pending site clearance, represent a further pipeline of near-term value as the facility completes its regulatory journey. More broadly, our continued investments in R&D are creating visible optionality for the future.

A New Growth Engine

The acquisition of Senn Chemicals AG in Switzerland, completed during the year, marked our entry into the peptide CDMO space, a segment we believe holds significant long-term promise.

Senn brings decades of scientific expertise in peptide synthesis and longstanding customer relationships across the pharmaceutical and cosmetics industries. This is a deliberate step into an area of global therapeutics where scientific capability, manufacturing precision and long-term partnerships will increasingly define value creation.

Within the first year of acquisition, the business demonstrated encouraging momentum, turning EBITDA-positive in the Q4FY26 of the year and establishing itself as our fourth revenue pillar.

On the India side, our Peptides Platform, anchored by a new Centre of Excellence at IIT Hyderabad, is engaged in customer programmes in close collaboration with our Zurich team. Together, this provides us with a differentiated platform that combines Swiss scientific capability with Indian scale.

Our capacity expansion programme is being executed in a calibrated manner across both geographies, balancing growth ambitions with operational and financial prudence. We are strengthening our capabilities to participate in the rapidly expanding peptide therapeutics market, including GLP-1 therapies, which we view as an attractive long-term growth avenue.

Where Ambition Meets Responsibility

Sustainability has become an increasingly important determinant of long-term competitiveness in the pharmaceutical industry, influencing market access, stakeholder expectations and capital allocation. Our purpose of healing lives responsibly through pioneering green science is supported by SBTi-validated targets aligned with the 1.5°C pathway and our commitment to achieve net zero emissions by 2050.

During FY2025–26:

- We earned an EcoVadis Gold rating, placing us among the top 5% globally.
- We received a CDP Climate Change score of 'A'.
- The Gagillapur facility achieved Zero Waste to Landfill Platinum Plus certification.
- We became a signatory to the UN Women's Empowerment Principles.
- Our S&P Corporate Sustainability Assessment score improved to 62, positioning us within the top 10% globally.

These outcomes reflect the growing maturity of our sustainability journey and reinforce our standing as a responsible partner in global pharmaceutical supply chains.

Priorities for FY2027 and Beyond

Granules enters FY2027 materially better positioned than a year ago, with:

- A stronger balance sheet , reflected in Net debt to EBITDA of 0.34x
- A healthier pipeline anchored toward a complex and differentiated product portfolio
- Improved compliance infrastructure

Our priorities for the year ahead are clear:

1. Complete the regulatory journey at Gagillapur.
2. Commercialise and utilise the capacity of the GLS Genome Valley facility across global regulated markets.
3. Continue accelerating our transition toward complex and differentiated products.
4. Drive the Peptide CDMO platform toward sustainable profitability.

Capital investments for the year ahead are planned across manufacturing, technology and supply chain infrastructure, with discipline and demand linkage guiding every allocation decision.

External uncertainties—including raw material cost pressures, logistics dynamics and a fluid geopolitical environment—will require careful navigation. We do not underestimate these. But we face them from a position of greater strength, greater clarity and greater organisational confidence than we have had in some time.

FY2025–26 was a year of one in which Granules returned to a stronger growth trajectory, anchored in portfolio discipline and improved execution. The progress was deliberate, necessary and foundational. As we step into the next phase, we carry with us the conviction that the platform we have built is becoming increasingly differentiated, resilient and capable of delivering sustainable long-term value.

On behalf of the Board and the entire Granules family, I express my sincere gratitude to our shareholders, customers, employees, partners, regulators and communities for their continued trust in us. We remain steadfast in our commitment to quality, compliance and responsible growth, while continuing to create enduring value for all our stakeholders.

Warm regards,

Dr. Krishna Prasad Chigurupati
Chairman & Managing Director

Milestones

Progress Formulated Through Purpose and Relentless Pursuit



From API production to front-end formulation and CDMO services, each milestone highlights our strategic focus on driving business forward with a sustainable vision.

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

Expanded innovation capabilities through new R&D centres at IIT Hyderabad dedicated to peptide development and particle engineering

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

2026

Our Sustainability Journey

Shaping a Future Rooted in Responsibility

2008

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

2014
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

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
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

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

Initiated the sourcing of electricity from solar power plants

Supported local suppliers by sourcing 50%-55% from Telangana

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.

2026
CDP Climate Change A List 2025 (Progressed from C → B → A in three cycles)

CDP Ratings: B (Water Security) and B- (Forests) in first-time disclosures

CDP SEA 2025 A List for climate-focused supplier engagement

Water Neutrality Aspiring Plants: Gagillapur & Bonthapally Unit-I recognised by CII–TWI

Gagillapur: ZWTL Platinum+ Certification with >99% waste diversion

UN-WEP Signatory, reinforcing commitment to gender equality

45.7% reduction in Scope 1 & 2 emissions vs. FY23 baseline

98% renewable electricity through PPAs, rooftop solar & I-RECs

37% renewable energy in total energy consumption

39% wastewater recycled

93.2% waste diverted from landfill

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

2032

2032 TARGETS

Achieve **Water Positivity**

2050

2050 TARGETS

Achieve **Net Zero emissions**

Mid-Term Strategy

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

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 the 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

Green Molecule Platform

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 biocatalysis
Flow & continuous manufacturing
Granules Eco scale

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

Global Presence

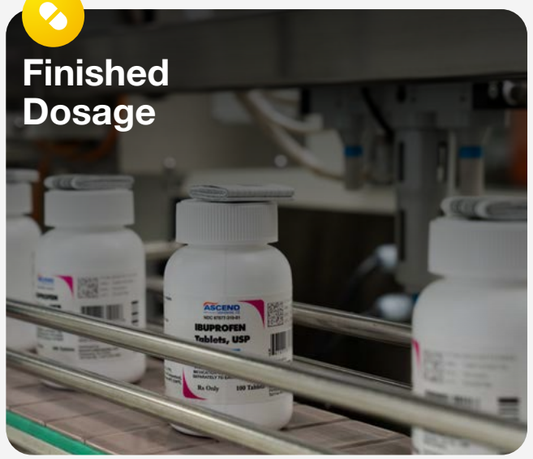
Advancing Healthcare Across Global Markets

With an expanding presence across regulated and emerging markets, we continue to strengthen our position as an integrated pharmaceutical partner with capabilities spanning APIs, PFIs, FD and CDMO operations. Our manufacturing network across India, the USA and Switzerland, supported by focused R&D capabilities and operational excellence, enables us to deliver quality, reliability and efficiency across the value chain.

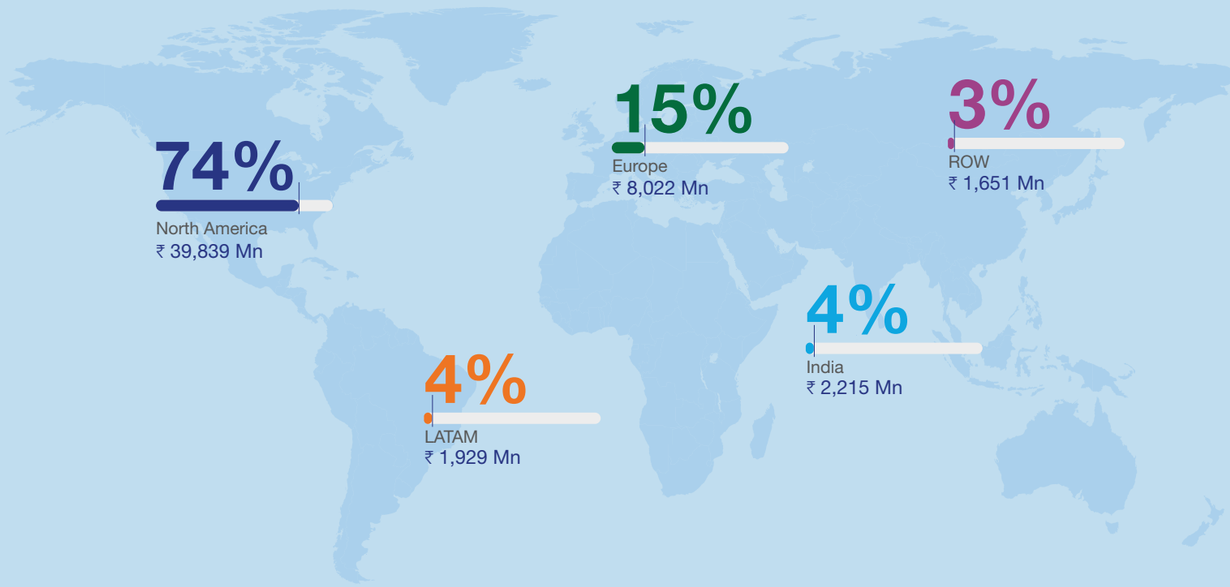
Through strategic partnerships, diversified operations and a growing portfolio of complex products, we are enhancing market access, supporting customer requirements and expanding our reach across North America, Europe, Latin America, India and other international markets.











% as share of revenue
Note: Map not to scale

Manufacturing Units

API
- Unit -1, Bonthapally,Telangana
- Unit -2, Jeedimetla,Telangana
- Unit -3, Bonthapally,Telangana
- Unit -4, Vizag,Andhrapradesh
- Unit -5, Vizag,Andhrapradesh

PFI
- Gagillapur, Telangana
- Jeedimetla, Telangana

CDMO Peptide
- Dielsdorf, Switzerland

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

Packaging
- Virginia, USA

R&D Centres
- Genome Valley, Telangana
- API R&D, Pragathi Nagar, Telangana
- Bio R&D, Pragathi Nagar, Telangana
- Pune, Maharashtra
- IITH Kandi (Peptide), Telangana
- Virginia, USA

Strengthening Our Global Presence

We are expanding our international footprint through diversified markets, strategic partnerships and differentiated product offerings.

- Strengthening presence across North America, Europe and ROW markets
- Expanding formulations business through complex and differentiated products
- Enhancing peptide CDMO capabilities through Switzerland and India-linked operations
- Deepening customer partnerships across regulated markets
- Broadening market access through integrated manufacturing and supply capabilities

Responding to the Pulse of Healthcare

In a rapidly evolving healthcare environment, strategic direction gains true meaning when it responds to real-world requirements. We have always believed that advanced healthcare should be accessible to all, and this belief enables us to translate intent into reliable, quality-driven and accessible solutions that address both unmet and emerging needs. By staying closely attuned to shifting care expectations and evolving healthcare challenges, we continue to strengthen our ability to deliver meaningful impact across markets while shaping the next chapter of healthcare.

Environmental Landscape

Industry Dynamics Shaping Strategic Priorities

Building Agility for Limitless Opportunities

The pharmaceutical industry is being increasingly shaped by sustainability expectations, regulatory scrutiny and the need for resource-efficient operations. At the same time, there is growing focus on responsible supply chains and climate-conscious infrastructure development, aligning long-term business resilience with broader environmental stewardship and global sustainability commitments. In this context, Granules India is strengthening its operational and manufacturing capabilities to align with emerging sustainability priorities and strengthen its preparedness for evolving operational requirements.

Healthcare Demand Propelling Pharmaceutical Industry

The global pharmaceutical industry has demonstrated resilience amidst macroeconomic uncertainties, geopolitical tensions and evolving trade dynamics. Growth in demand is being driven by a confluence of factors, including increasing prevalence of chronic diseases, ageing populations and improved healthcare access across developed and emerging economies. Simultaneously, healthcare systems across markets are placing greater emphasis on affordability, accessibility and supply continuity, thereby supporting demand for generic medicines.

The industry also witnessed increasing investments in R&D, advanced manufacturing technologies and digital quality systems. Pharmaceutical companies continued to strengthen supply chain resilience through backward integration and multi-site manufacturing capabilities, enhancing operational flexibility and adherence to evolving regulatory preparedness.

India Emerging as a Larger Pharmaceutical Manufacturing Hub

India's position as the "Pharmacy of the World" is underpinned by a distinctive combination of affordable pricing and assured quality, which has made Indian medicines widely preferred across global markets. This strength is further reinforced by manufacturing scale, cost competitiveness and robust capabilities in generic medicines, supported by effective government initiatives. The industry is also witnessing a gradual shift towards differentiated formulations, specialty products, complex generics and innovation-led CDMO offerings.

India's pharmaceutical sector continues to expand its global footprint through rising exports and steady foreign investment, reflecting strong international confidence in its manufacturing and regulatory standards.

Focusing on Quality, Compliance and Supply Reliability

The pharmaceutical industry is witnessing heightened emphasis on regulatory compliance, robust quality systems and resilient supply chains across regulated markets. As a result, companies are strengthening compliance frameworks, advancing quality digital infrastructure and optimising manufacturing networks to ensure uninterrupted business continuity.

In regulated markets such as the U.S. and Europe, operational transparency, stringent compliance standards and multi-site manufacturing capabilities are becoming central to value creation across the pharmaceutical ecosystem.

Prioritising Complex and Specialised Therapies

The pharmaceutical industry is witnessing a growing shift towards complex formulations, and next-generation drug delivery systems. This shift is driven by increasing need for personalized, targeted, and long-term compliance therapies. Pharmaceutical companies are continuously innovating to meet the demand for products which are technologically advanced, clinically differentiated, and capable of addressing chronic and lifestyle-driven diseases more effectively.

The peptide therapeutics and CDMO segment are at the forefront of driving this shift, attracting heightened industry interest, supported by developments across fast growing obesity, diabetes, oncology, and other chronic therapy segments. These innovations are driving greater need for specialized development and manufacturing capabilities.

Aligning Capabilities with Evolving Industry Trends

Granules India strengthened its integrated business model across APIs, PFIs and finished dosages while expanding its presence in complex generics, differentiated formulations and peptide CDMO opportunities.

During the year, the Company continued investments towards manufacturing expansion, digital quality systems, regulatory compliance and R&D capabilities. The expansion of the Genome Valley facility, strengthening of the U.S. manufacturing platform and continued progress in peptide CDMO operations have further enhanced its manufacturing depth and diversified product capabilities across the organisation.

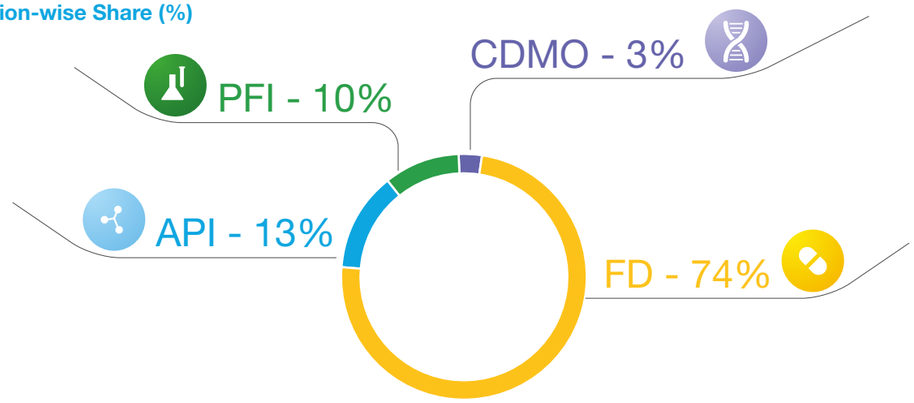
Business Overview

From APIs to an Integrated Pharma Platform

As Indian pharma pivots towards innovation and sustainability, we at Granules India are charting a strong growth path driven by R&D and global ambitions amid evolving supply chain dynamics. We have evolved from an API-focused organisation into an integrated pharmaceutical company with capabilities across APIs, PFIs, finished dosages and peptide CDMO operations. Over time, we have strengthened our position across the pharmaceutical value chain as an innovation-led manufacturer.

Our core portfolio comprises products such as Paracetamol, Metformin, Ibuprofen and controlled substances, complemented by a future pipeline increasingly centred on innovation-led and technology-driven offerings supported by enzyme-based and continuous manufacturing platforms. This includes oncology therapies, large molecules, differentiated dosage formats such as liquids and nasal sprays, as well as peptide-based therapies strengthened through our CDMO capabilities.

Division-wise Share (%)



Active Pharmaceutical Ingredients (API)

Our API business supports both internal formulation requirements and external customer demand across regulated and semi-regulated markets. It is underpinned by large-scale manufacturing capabilities, integrated operations and strong process optimisation across key molecules.

Our Capabilities

- Large-scale API manufacturing
- Integrated support for formulations
- Process optimisation capabilities
- Technology-enabled operations
- Global supply network

Strategic Priorities

- Expanding regulated market presence
- Strengthening integrated operations
- Improving manufacturing efficiencies
- Scaling technology-led systems
- Enhancing supply reliability

API Revenue (₹ Mn)

6,822

FY 2025-26	6,822
FY 2024-25	6,185
FY 2023-24	9,866
FY 2022-23	13,414
FY 2021-22	9,751

Pharmaceutical Formulation Intermediates (PFI)

Our PFI business is a key pillar of our integrated manufacturing model, supporting formulation efficiencies, process integration and supply chain optimisation across products and markets. It plays a critical role in strengthening operational integration and enhancing manufacturing effectiveness across our value chain.

Our Capabilities

- Integrated PFI infrastructure
- Support for formulation efficiencies
- Cross-functional operational integration
- Partnerships across regulated markets
- Reliable manufacturing processes

Strategic Priorities

- Improving throughput efficiencies
- Strengthening customer partnerships
- Enhancing operational reliability
- Expanding formulation support
- Driving process optimisation

PFI Revenue (₹ Mn)

5,348

FY 2025-26	5,348
FY 2024-25	4,294
FY 2023-24	6,107
FY 2022-23	9,021
FY 2021-22	8,456

Finished Dosages (FD)

Finished dosages remain the largest contributor to our business portfolio, reflecting our strong presence across prescription and OTC products. During FY 2025-26, we further strengthened our presence in differentiated formulations, complex generics and expansion in regulated markets supported by additional manufacturing capacity and multi-site supply capabilities.

Our Capabilities

- Prescription and OTC portfolio
- Multiple dosage formats
- Growing complex generics presence
- Integrated packaging capabilities
- Multi-site manufacturing network

Strategic Priorities

- Expanding complex generics portfolio
- Strengthening differentiated formats
- Scaling regulated market presence
- Enhancing manufacturing flexibility
- Diversifying therapeutic offerings

FD Revenue (₹ Mn)

39,893

FY 2025-26	39,893
FY 2024-25	34,336
FY 2023-24	29,090
FY 2022-23	22,684
FY 2021-22	19,442

Peptide CDMO Operations

We entered the peptide therapeutics and CDMO space through the acquisition of Senn Chemicals based in Switzerland and subsequent ongoing build out in India. This platform combines decades of peptide synthesis expertise and an established innovator client base in Switzerland with development and manufacturing infrastructure being built in India, creating an integrated, two-continent model spanning discovery, development, and commercial-scale manufacturing.

During FY26, Peptide CDMO operations emerged as a distinct business vertical, contributing with sequential momentum through the year. This reflects the platform's existing client relationships and validates our entry into specialised, innovation-led therapeutics at meaningful scale.

Our Capabilities

- Peptide synthesis and CDMO expertise across GMP-compliant Swiss infrastructure
- Established innovator client base with a track record in complex peptide molecules
- India-based R&D centre at IIT Hyderabad, with a growing team of dedicated peptide scientists
- India-linked scale-up and intermediates manufacturing capabilities under development
- Integrated model from early-stage synthesis through clinical and commercial supply

Strategic Priorities

- Expanding the client base across innovator and emerging biotech segments
- Building India-based peptide capacity to restore cost competitiveness
- Scaling Swiss manufacturing infrastructure to serve high-growth peptide demand
- Strengthening the CDMO model by enhancing development capabilities
- Deepening backward integration and geographical integration to support external customers and in-house peptide API supply

₹ 1,593 Mn

CDMO Revenue

Business Strategy

A Disciplined Approach to Sustainable Scale

Our approach is anchored in building an integrated, innovation-led pharmaceutical platform that balances scale with specialisation. We are focusing on expanding differentiated and complex product portfolios, strengthening regulated market presence and advancing peptide CDMO capabilities through global collaboration. By integrating R&D, manufacturing excellence, digitalisation and sustainability, we aim to enhance operational resilience, improve portfolio quality and support the next wave of pharma innovation.





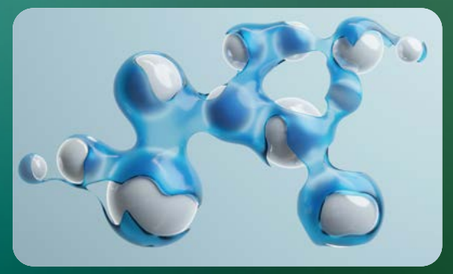
Building capabilities through strategic capacity and technology



Improving product mix and manufacturing excellence across operations



Deepening market access across regulated and emerging markets



Expanding presence in complex generics, oncology and peptides



Enhancing integrated manufacturing capabilities across core businesses

Our core portfolio comprises products such as Paracetamol, Metformin, Ibuprofen and controlled substances, complemented by a future pipeline increasingly centred on innovation-led and technology-driven offerings supported by enzyme-based and continuous manufacturing platforms. This includes oncology therapies, large molecules, differentiated dosage formats such as liquids and nasal sprays, as well as peptide-based therapies strengthened through our CDMO capabilities.

Business Strategy (Contd..)

Catering to Evolving Global Markets

Our strategy is centred on strengthening core operations, expanding differentiated product offerings and building a more diversified pharmaceutical platform across regulated markets. During FY26, we focused on enhancing operational resilience, portfolio quality, regulatory preparedness and long-term value creation. As the pharmaceutical industry shifts towards complex generics, specialised therapies and resilient supply chains, we are aligning our core competencies to evolving global market requirements.

01 Expanding differentiated and complex generics portfolio
02 Strengthening multi-site manufacturing capabilities
03 Enhancing quality and compliance infrastructure
04 Increasing presence across regulated markets
05 Diversifying growth through peptide CDMO operations
06 Improving operational agility and supply reliability

Strengthening Our Core Business

We have strengthened our integrated generics business through backward integration, operational efficiencies and continued portfolio expansion across key therapeutic segments. North America remains our largest market, while Europe emerged as a strong growth market during FY26, supported by deeper product penetration, expanding customer partnerships, and a shift towards higher-value opportunities.

The successful expansion of our Genome Valley facility and the strengthening of our U.S. operations enhance supply continuity, operational flexibility and support further expansion into regulated markets.

01 Scaling integrated Rx portfolio
02 Increasing contribution from complex generics
03 Strengthening U.S. and Europe presence
04 Supporting multi-site supply capabilities
05 Enhancing operational efficiencies
06 Improving portfolio mix and margins

Advancing Complex Generics and Product Development

A key strategic priority during FY26 was the continued shift towards differentiated and higher-complexity products. We improved our complex generics pipeline across controlled substances, CNS-ADHD therapies, oncology products and specialised dosage formats. Our R&D efforts remain focused on integrated product development, regulatory filings and technology-led manufacturing capabilities, enabling sustainable portfolio expansion across regulated markets.

01 Focus on expanding TAM coverage of our controlled substances portfolio (CNS/ADHD and Pain Management)
02 Expansion of oncology and specialised dosage capabilities
03 Increasing share of complex generics within formulations
04 Strengthening differentiated product pipeline
05 Advancing regulatory filings across markets
06 Supporting long-term portfolio diversification

Building a Diversified Peptide CDMO Platform

Through the acquisition of Senn Chemicals and our ongoing India build out, we have marked a strategic entry into the specialised therapeutics segment. This platform strengthens our position across the peptide value chain, supported by integrated capabilities spanning development and commercial manufacturing. We are enhancing our Swiss-based synthesis and process development expertise while building India-linked scale-up and intermediates capacity, creating a two-continent model that combines Swiss quality credentials with India-based cost competitiveness.

01 Building peptide synthesis and CDMO capabilities across GMP-compliant Swiss infrastructure
02 Strengthening the Switzerland-India integrated operating model
03 Supporting innovator and emerging biotech partnerships through established client relationships
04 Expanding development and manufacturing capabilities including India-based capacity
05 Increasing presence across specialised therapeutics
06 Supporting long-term diversification

Strengthening Quality, Compliance and Digitalisation

Pharmaceutical quality assurance is fundamental to ensuring the consistent delivery of safe and reliable products, while also enabling continuous improvement across the value chain—from technology transfer to product development. During the year, we continued to strengthen our digital quality infrastructure, operational digitisation and compliance systems across manufacturing facilities. We advanced implementation of electronic quality systems, manufacturing digitisation and real-time operational monitoring initiatives to strengthen reliability, traceability and operational resilience across the network.

01 Strengthening digital quality systems
02 Enhancing compliance and traceability
03 Expanding operational digitisation
04 Supporting regulatory preparedness
05 Improving manufacturing reliability
06 Building resilient supply chain operations

Sustainability Integrated Across Operations

Sustainability remains deeply embedded across our operations, manufacturing processes and long-term business priorities. During FY26, we continued to advance initiatives focused on emissions reduction, renewable energy adoption, sustainable manufacturing practices and responsible supply chain management. These efforts reflect our commitment to improving operational efficiency while driving environmental stewardship and responsible growth.

01 Renewable energy and energy efficiency initiatives
02 Green chemistry and biocatalysis initiatives
03 Zero waste and resource efficiency programmes
04 Sustainable supply chain engagement
05 Water stewardship initiatives
06 Long-term net-zero alignment

Advancing Care Through Purpose-Driven Science

The industry is undergoing rapid transformation, shaped by rising regulatory expectations, intensifying pricing pressures and increasingly complex global supply chains. In this dynamic environment, the future of pharmaceuticals is being redefined by science, innovation and precision. We harness research, technology and process excellence to develop differentiated solutions across complex therapeutic areas. By integrating scientific depth with disciplined execution, we continue to strengthen development pathways, elevate product quality and accelerate the translation of ideas into meaningful healthcare outcomes across global markets.

Business Model

Decoding the Framework for Long-Term Impact

Inputs

Financial Capital

22.1% EBITDA margin	**17.6%** RoCE	**₹ 247.8 Mn** Equity Share Capital	**₹ 5,547 Mn** Capex invested

Manufactured Capital

5 API units	**3** FDF units	**1** Packing Facility	**1** CDMO Facility

Intellectual Capital

₹ 2,853 Mn Total R&D expenditure	**148** Dossiers filed	**139** Patents filed	**441** Scientists across API and FD R&D

Human Capital

6,523 Total work force	**2,61,766** Training hours delivered

Social and Relationship Capital

₹ 112.73 Mn CSR spend	**2000+** Supplier partners

Natural Capital

990 TJ Energy Consumed	**2,39,951 KL** Water Consumed	**90,299 MWh** Electricity Consumed	**61,136 tco_2e** GHG emissions (Scope 1 & 2)

Our Purpose

Healing Lives Responsibly through Pioneering Green Science

Our Business Segments

APIs | **PFIs** | **FD** | **Peptide CDMO Operations**

Our Value Creation Pillars

Integrated Operations -
Backward integration across APIs, PFIs and formulations supports efficiency, supply reliability and operational flexibility.

R&D and Innovation -
Focused investments in complex generics, differentiated formulations and peptide therapeutics strengthen portfolio expansion.

Manufacturing Excellence -
Large-scale manufacturing capabilities, process optimisation and digital quality systems support operational performance

Sustainability Integration -
Resource efficiency, green chemistry and responsible manufacturing practices remain integrated across operations.

Operational Agility -
Automation, digitalisation and multi-site manufacturing capabilities improve responsiveness and supply continuity.

Customer-Centric Growth -
Long-standing partnerships, regulated market presence and diversified offerings support sustainable business growth.

Key Enablers

- Integrated manufacturing platform
- Complex generics portfolio
- R&D capabilities
- Regulatory and compliance systems
- Peptide CDMO platform Digital quality infrastructure
- Sustainability initiatives

Our Stakeholders

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

Outputs

Financial Capital

₹ 5,950 Mn PAT	**₹ 11,851 Mn** EBITDA	**₹ 53,656 Mn** Revenue

Manufactured Capital

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

Intellectual Capital

56% Legacy Gx	**44%** Non-Legacy	**139** Patents as on 31 March 2026

Human Capital

921 Women work force	**Zero** Reportable incidents	**65%** reduction in Recordable Incident Rate

Social and Relationship Capital

3.5+ lakhs
Lives positively touched

Natural Capital

45.7% Absolute reduction in GHG emissions (Scope 1 and Scope 2)	**39%** Wastewater recycled/reused	**93.2 %** Waste Diversion rate from Landfill

Outcomes

Improved profitability, stronger cash generation and sustained investments across manufacturing, infrastructure and product development initiatives

Better operational reliability, manufacturing efficiency and supply capabilities across regulated and global markets

Expanded differentiated pipeline, stronger innovation capabilities and increasing focus on complex and specialised pharmaceutical solutions.

Enhanced workforce capability, stronger safety culture and improved employee engagement across the organisation

Stronger stakeholder relationships, expanded community outreach and improved engagement across the value chain

Improved environmental performance, increased resource efficiency and continued progress across sustainability initiatives and responsible operations

Materiality Assessment

Identifying Priorities to Amplify Impact

Our sustainability priorities are shaped through a structured materiality assessment process that integrates stakeholder perspectives, industry developments and strategic business considerations. During FY26, we conducted a Double Materiality Assessment to identify ESG topics that are most relevant to our operations, long-term growth trajectory and stakeholder expectations. The process supports informed decision-making, strengthens risk management and enables ESG integration across the organisation.

Our Assessment Approach

The materiality assessment was conducted through a structured, phased evaluation process aligned with recognised global reporting and disclosure frameworks including GRI, SASB, BRSR, CDP and TCFD.

- Review of sector-specific ESG developments and emerging sustainability trends
- Stakeholder consultations across internal and external groups
- Assessment of business relevance and long-term strategic impact
- Prioritisation of material themes based on stakeholder importance and organisational significance

Stakeholder Engagement

The assessment incorporated insights from a diverse stakeholder base to ensure a balanced representation of business, operational and external sustainability priorities.

Internal Stakeholders

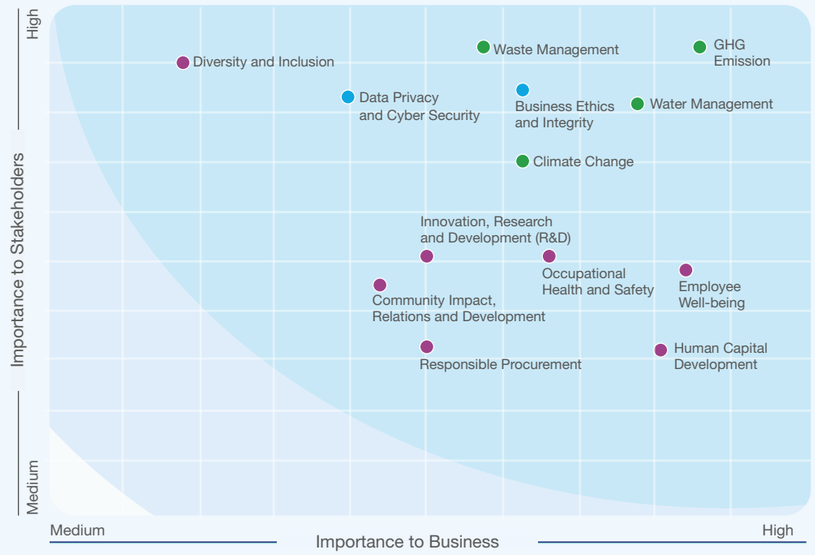
- Employees across functions and operating locations
- Senior management and leadership teams

External Stakeholders

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

The insights helped identify areas of highest relevance to operational continuity, regulatory preparedness, stakeholder expectations and long-term business resilience.

- Environmental
- Social
- Governance



Material Themes

Based on the assessment process, 13 material topics were identified and grouped under Environmental, Social and Governance pillars.



01 GHG Emissions

Reducing greenhouse gas emissions through long-term decarbonisation initiatives and progress towards net-zero ambitions by 2050

02 Climate Change

Strengthening climate resilience through operational preparedness, energy transition initiatives and sustainable technologies

03 Water Management

Enhancing water conservation, recycling and wastewater treatment practices to improve resource efficiency

04 Waste Management

Promoting responsible waste management practices, including recycling, reuse and reduction of non-hazardous waste generation



05 Diversity and Inclusion

Strengthening an inclusive workplace culture that supports equal opportunities, diversity and employee participation

06 Employee Well-being

Supporting the physical, mental and emotional well-being of employees through workplace engagement and support initiatives

07 Occupational Health and Safety

Maintaining strong occupational health and safety practices across operations, particularly within manufacturing environments

08 Human Capital Development

Enhancing learning, technical capability building and leadership development initiatives to support workforce readiness

09 Innovation, Research and Development

Strengthening innovation and R&D capabilities to support sustainable and differentiated pharmaceutical solutions

10 Community Impact and Development

Supporting healthcare, education and livelihood initiatives that contribute to community development and social well-being

11 Responsible Procurement

Integrating ESG considerations into procurement and supplier engagement practices across the value chain



12 Business Ethics and Integrity

Maintaining strong governance practices focused on ethics, transparency, compliance and accountability across business operations

13 Data Privacy and Cybersecurity

Strengthening information security and cybersecurity systems to safeguard sensitive business and stakeholder data

Alignment with Reporting Frameworks

The assessment process was aligned with globally recognised sustainability and disclosure frameworks, 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)

Integrating Materiality into Business Strategy

The materiality assessment serves as a key reference point for embedding ESG priorities into business planning, operational management and long-term strategy. It continues to support our approach towards responsible growth, operational resilience and transparent stakeholder communication as sustainability expectations across the pharmaceutical industry continue to evolve.

Stakeholder Engagement

Listening, Learning and Growing Together

In the evolving pharmaceutical landscape, meaningful stakeholder engagement is essential to informed decision-making and sustainable business practices. We maintain open, ongoing dialogue with stakeholders to understand expectations and strengthen alignment with operational priorities.

We engage through multiple structured channels, including digital feedback platforms, surveys and questionnaires, meetings and events, working groups and regulatory audits. This continuous exchange fosters transparency, strengthens trust and ensures that diverse perspectives are integrated into key decisions, shaping a more responsible and responsive organisational direction.

Monitoring activities
Tracking stakeholder expectations, market developments and emerging concerns

Establishment of plan
Defining engagement priorities, communication approaches and action plans

Collection of opinions
Gathering stakeholder feedback, insights and recommendations through multiple touchpoints

Internal report
Analysing inputs and integrating relevant insights into strategic and operational decisions

Engagement flow



Stakeholder expectations	Priority areas	How we engage

Investors and Shareholders

Stakeholder expectations	Priority areas	How we engage
• Transparent disclosures and governance practices • Sustainable and long-term business growth • Prudent capital allocation and financial discipline • Strategic clarity across operations and expansion plans • Innovation-led growth and business resilience	• Return on investment • Financial stability • ESG integration • Risk management • 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

Customers

Stakeholder expectations	Priority areas	How we engage
• Consistent product quality and reliability • Compliance with regulatory and safety standards • Ethical manufacturing practices • Responsive customer support and communication • Reliable supply and service delivery	• Health and safety of products • Supply chain resilience • Timely fulfilment • Transparency in communication • 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

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

Stakeholder Engagement (Contd..)

Suppliers and Business Partners

Stakeholder expectations	Priority areas	How we engage
• Fair and transparent procurement practices • Timely payments and commercial clarity • Ethical sourcing standards • Long-term collaboration opportunities • Technical and capability-building support	• Clarity in expectations • Payment timelines • Sustainability requirements • Procurement transparency • Mutual accountability • Continuity of business during disruption periods	• Supplier meets and audits • Facility visits • Training and development programmes

Frequency of engagement

Events, Need-based

Community and NGOs

Stakeholder expectations	Priority areas	How we engage
• Meaningful engagement in health, education and livelihoods • Inclusive and measurable social impact • Local community development initiatives • Environmental welfare and awareness programmes • Consistent corporate participation in community upliftment	• Last-mile impact of CSR initiatives • Continuity of CSR programmes • Inclusiveness of beneficiaries • Alignment with local needs • Measurable improvement in community well-being	• CSR interactions and initiatives

Frequency of engagement

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

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

Employees

Stakeholder expectations	Priority areas	How we engage
• Learning and skill enhancement opportunities • Transparent and timely communication • Inclusive and equitable workplace practices • Performance recognition and career growth • Safe and supportive work environment	• Career advancement • Access to upskilling • Fair performance evaluation • Leadership accessibility • Inclusion • 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

Workers

Stakeholder expectations	Priority areas	How we engage
• Safe and healthy working conditions • Respectful workplace environment • Fair wages and job security • Accessible grievance redressal mechanisms • Opportunities for social and economic upliftment	• Occupational safety • Respectful work environment • Health coverage • Hygiene facilities • Timely communication • Protection from work-related risks or injuries	• Safety programmes • HR communications • In-house publications

Frequency of engagement

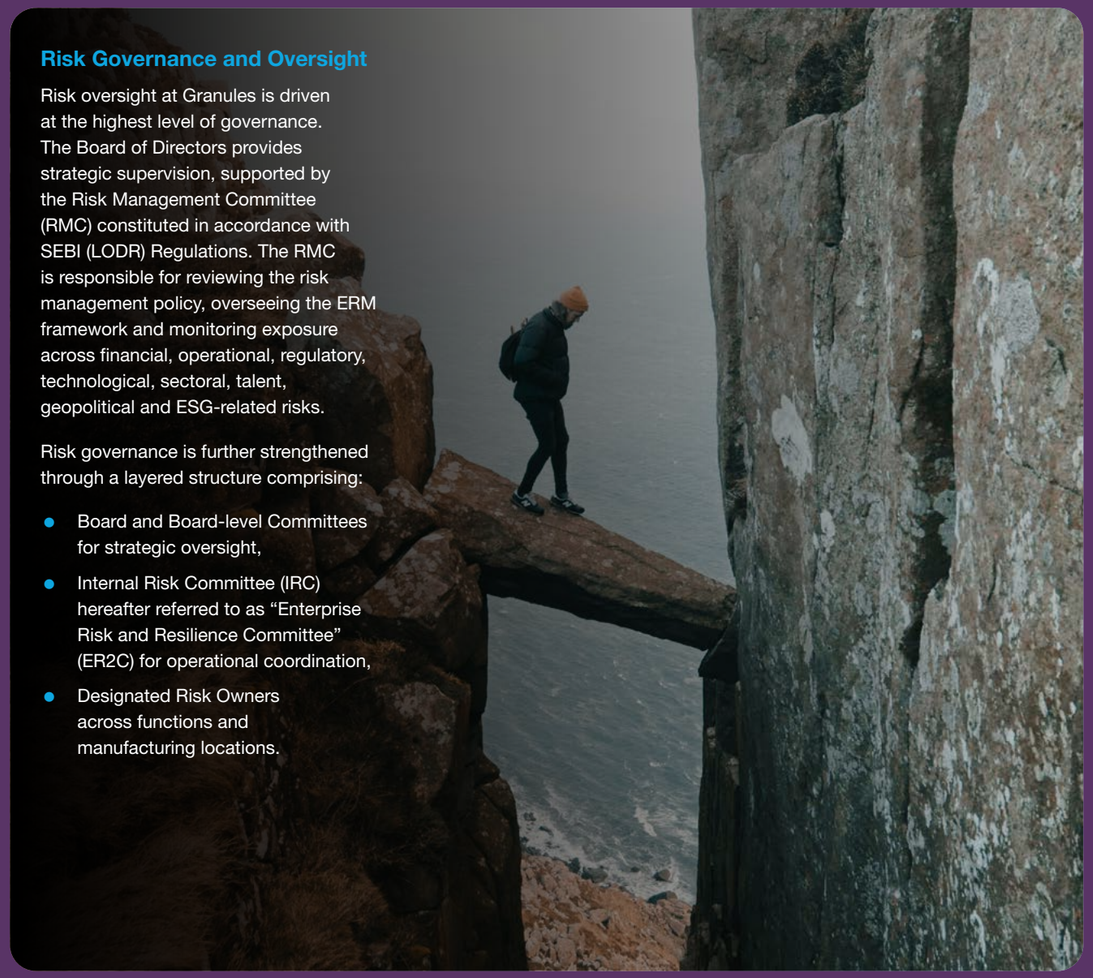
Daily, Monthly, Quarterly, Annually, Need-based

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

Risk Management

Enhancing resilience in a dynamic global environment

At Granules India Limited, risk management is a core pillar of governance and a strategic enabler of long-term value creation. Operating in a highly regulated, evolving technological and global pharmaceutical ecosystem, the Company recognises that risks and opportunities are dynamic and increasingly interlinked across financial, operational, regulatory, technological and sustainability dimensions for value preservation and creation. Our enterprise-wide risk management (ERM) framework is designed to identify current and emerging risks and opportunities early, assess their potential impact, and embed mitigation actions into strategic and operational decision making and resilience.



Risk Governance and Oversight

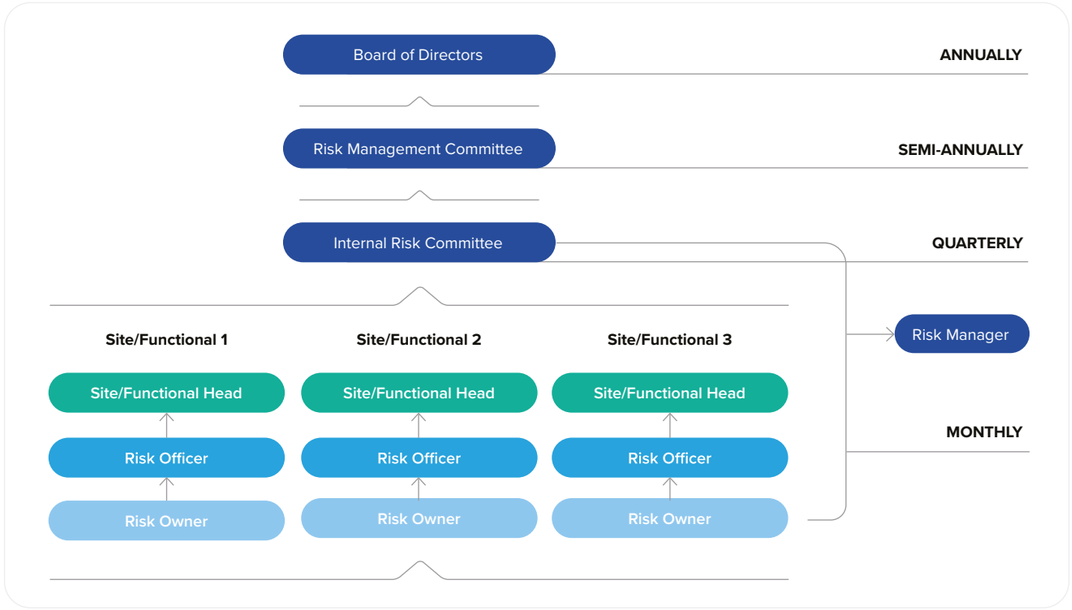
Risk oversight at Granules is driven at the highest level of governance. The Board of Directors provides strategic supervision, supported by the Risk Management Committee (RMC) constituted in accordance with SEBI (LODR) Regulations. The RMC is responsible for reviewing the risk management policy, overseeing the ERM framework and monitoring exposure across financial, operational, regulatory, technological, sectoral, talent, geopolitical and ESG-related risks.

Risk governance is further strengthened through a layered structure comprising:

- Board and Board-level Committees for strategic oversight,
- Internal Risk Committee (IRC) hereafter referred to as “Enterprise Risk and Resilience Committee” (ER2C) for operational coordination,
- Designated Risk Owners across functions and manufacturing locations.

Risk registers are reviewed quarterly, with enterprise risks escalated to the Board for deliberation. This structured cadence ensures continuous monitoring, accountability and timely intervention.

Governance Structure



The Risk Management Committee (RMC), a Committee of the Board, guides the implementation of the risk management policy, reviews the effectiveness of the risk management system, and evaluates the enterprise risk profile. The Board of Directors are periodically updated and inputs sought on the risk profile and mitigations for identified enterprise risks.

To ensure a focused and cross functional approach to risk mitigation, an Internal Risk Committee (IRC) is constituted that meets and deliberates on identified enterprise risks every quarter, in addition to external events and their potential impact on Granules’ operations. The Internal Risk Committee, comprising senior executives and functional heads, undertakes a detailed review of enterprise risks, whereby response plans and Key Risk Indicators (KRIs) are tracked and reviewed for status evaluation, and actions are identified in case of a KRI breach. The IRC and RMC also assess the impact of internal and external events, and the adequacy of associated mitigation plans as part of the risk reviews.

The CFO and the Risk Manager facilitate ERM initiatives across the Company and coordinate with site and functional heads for key enterprise risks and associated response plans. The CFO and the Risk Manager, supported by the ERM Coordinator, ensure the implementation of the ERM program across sites and functions and aggregate the enterprise risk register.

Risk Officers are nominated for each site and function to ensure risk of ownership is embedded. These officers support risk management activities within their respective sites and functions, promote focused discussions on identified risks related to their assigned processes, and periodically assess and monitor risks and associated response plans. The governance framework enables structured risk-related interactions complemented by risk surveys across senior management to identify new and emerging risks and opportunities, from strategic, technological, ESG, regulatory and operational domains.



Risk Management (Contd..)

Risk Management Process at Granules

The risk management framework adopted by Granules aligns with the ISO Standard 31000:2018 - Risk Management Guidelines and COSO 2017, which integrates strategy and performance. We evaluate risks regularly to implement necessary countermeasures in a timely manner.

The framework enables the identification of a broad spectrum of risks, including sectoral (industry risks), sustainability, extended enterprise, talent, and cybersecurity risks, and links risk data at different levels through Key Risk Indicators (KRIs), thereby facilitating monitoring and reallocation of resources to mitigate enterprise risks.

Based on the International Integrated Reporting Council's (IIRC) six capitals, we have defined our risk appetite with tolerance limits to assess the impact of risks on achieving our strategic objectives and to guide management decision making.

The enterprise risks are reviewed periodically by the constituent committees within the organization. The following process illustrates how we identify and manage risks impacting our operations and strategic objectives, with appropriate response plans implemented accordingly.

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.

Key Risk Areas

Throughout the financial year, the Company experienced several challenges due to external and internal events. The key risk areas which we focused on are:

Key Risk Area	Impact	Mitigation

Quality and Regulatory Compliance

The Company operates in a highly regulated environment across multiple jurisdictions. Sustained adherence to evolving regulatory requirements and quality standards is critical to maintaining market access, product approvals, and stakeholder confidence.

- Regulatory observations or non-compliance may result in operational disruptions, delays in approvals, or restrictions on manufacturing and supply.
- Quality related incidents could impact customer confidence, brand reputation, and long-term business sustainability.
- Increased regulatory scrutiny may necessitate additional oversight and allocation of management resources.

- Continued strengthening of quality management systems and compliance frameworks.
- Ongoing engagement with regulatory authorities and external experts to proactively address observations.
- Periodic internal reviews, audits, and training programmes to reinforce quality culture and regulatory preparedness.

Health, Safety, and Occupational Well-being

Manufacturing and development operations involve inherent health and safety risks. Ensuring employee well-being and adherence to safety regulations remains fundamental to operational continuity and workforce stability.

- Safety incidents may lead to temporary operational disruptions, regulatory actions, or reputational impact.
- Non-compliance with safety and environmental requirements could result in penalties or legal exposure.
- Workplace incidents may affect employee morale and long-term productivity.

- Implementation of structured safety management systems and site level risk assessments.
- Regular safety audits, training initiatives, and monitoring of safety performance indicators.
- Continued focus on hazard identification, preventive controls, and emergency preparedness.

Talent Retention and Leadership Continuity

The Company's ability to execute its strategy depends on attracting, retaining, and developing skilled talent and leadership across functions and geographies.

- Attrition or leadership gaps may impact execution efficiency, institutional knowledge, and business continuity.
- Delays in capability augmentation could affect operational resilience and strategic initiatives.
- Increased recruitment and training costs may impact short-term productivity.

- Ongoing monitoring of workforce trends and implementation of targeted retention and engagement initiatives.
- Embark on structured succession planning and leadership development programmes.
- Focus on internal capability building and strengthening talent pipelines.

Risk Management (Contd..)

Key Risk Area	Impact	Mitigation

Strategic Growth and Market Diversification

Sustained growth requires timely geographical expansion, portfolio diversification, and effective commercialization of products across markets.

- Delays in expansion beyond core markets may increase revenue concentration risks.
- Slower diversification into complex or non-legacy products could impact competitiveness and margins.
- Market volatility and regulatory delays may affect realization of growth plans.

- Focused evaluation of new geographies and partnership led market entry strategies.
- Balanced portfolio approach across legacy and non-legacy products, with focussed opportunity realization in integrated and complex molecules.
- Continuous monitoring of market conditions and recalibration of growth priorities.

Supply Chain Resilience and Input Availability

The Company's operations are dependent on reliable availability of raw materials, intermediates, and logistics networks, which may be affected by global disruptions.

- Disruptions in supply chains may impact production schedules, cost structures, and customer commitments.
- Dependence on limited or single source suppliers may reduce operational flexibility.
- Volatility in logistics and input costs could affect margins.

- Diversification of supplier base and development of alternate sourcing arrangements.
- Ongoing assessment of inventory strategies and supply chain risks.
- Strengthened supplier engagement and monitoring mechanisms.

Information Security, Data Privacy, and Digital Risks

Increasing reliance on digital systems exposes the Company to cybersecurity, data protection, and technology related risks.

- Cyber incidents or data breaches may disrupt operations and impact stakeholder trust.
- Non-compliance with emerging data protection regulations could result in regulatory or legal exposure.
- System outages may affect business continuity and decision making.

- Strengthening of IT and OT security controls and continuous monitoring mechanisms.
- Progressive alignment with information security and data privacy regulatory frameworks.
- Assessments of digital infrastructure and awareness initiatives.

ESG and Environmental Compliance

Sustainability expectations from regulators, customers, and investors continue to evolve. Meeting environmental and ESG commitments is increasingly integral to long term value creation.

- Delays in achieving sustainability targets may affect ESG ratings and stakeholder perception.
- Environmental non-compliance could result in regulatory action or operational constraints.
- Increased scrutiny on ESG performance may influence access to capital and partnerships.

- Ongoing initiatives to enhance environmental performance, resource efficiency, and sustainability practices.
- Integration of ESG considerations into operational and governance frameworks.
- Periodic monitoring of ESG performance and engagement with relevant stakeholders.

Key Risk Area	Impact	Mitigation

Geopolitical and External Environment Risks

Global geopolitical developments, trade policies, and macroeconomic conditions may influence costs, supply chains, and market dynamics.

- Volatility in trade routes, input availability, and currency movements may impact operating costs.
- External disruptions could affect logistics timelines and customer commitments.
- Rapid changes in global policies may require adaptive response mechanisms.

- Continuous monitoring of geopolitical developments and external risk indicators.
- Scenario assessment and adaptive operational planning.
- Leveraging diversification across markets and sourcing strategies.

Integration with Strategy and ESG

Risk management at Granules extends beyond compliance and is closely aligned with strategy execution. ESG related risks and opportunities are evaluated alongside financial and operational risks, ensuring that sustainability considerations inform investment decisions, innovation priorities and long term growth plans. A three-tier governance model ensures alignment from Board level oversight to site level execution.

Assurance and Continuous Improvement

The ERM framework is reviewed periodically to reflect changes in the operating environment, regulatory landscape and stakeholder expectations. Through continuous improvement, and stakeholder engagement, Granules remains agile and resilient in an increasingly complex global environment.



Risk Management (Contd..)

Emerging Risks and Uncertainties

The global pharmaceutical and healthcare industry continues to operate in an increasingly complex, interconnected, and dynamic environment. Ongoing geopolitical developments, macroeconomic volatility, regulatory evolution, and rapid technological advances are reshaping industry risk profiles and influencing supply chains, cost structures, compliance expectations, and competitive dynamics.

In this context, Granules actively monitors emerging risks as part of its enterprise-level risk management and strategic planning processes. These risks are inherently dynamic in nature and are assessed for their potential to affect operational resilience, strategic objectives, and long-term value creation.

Geopolitical and External Environment Developments

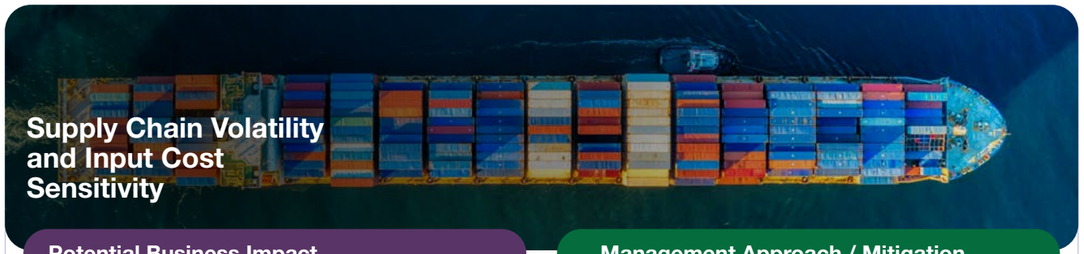
Potential Business Impact

Prolonged geopolitical tensions, including the West Asia conflict and changes in global trade policies may impact international logistics routes, energy availability, freight costs, insurance frameworks, and cross border trade flows. Such developments could affect sourcing strategies, transit timelines, and cost structures.

Management Approach / Mitigation

Continuous monitoring of geopolitical developments and trade policies; diversification of sourcing and logistics routes; adaptive operational planning to absorb short term disruptions.

Supply Chain Volatility and Input Cost Sensitivity



Potential Business Impact

Volatility in availability of raw materials, intermediates, energy, and logistics capacity may lead to procurement cost fluctuations, elongated lead times, and inventory management challenges, impacting operating margins and delivery commitments.

Management Approach / Mitigation

Strengthening supply chain resilience through supplier diversification, alternate sourcing arrangements, inventory strategy reviews, and ongoing engagement with suppliers and logistics partners.

Macroeconomic and Currency Related Uncertainty

Potential Business Impact

Inflationary pressures, interest rate movements, and currency volatility may influence operating costs, working capital cycles, financing costs, and demand patterns across markets. Short term financial outcomes may be impacted during periods of elevated volatility.

Management Approach / Mitigation

Disciplined financial management, natural hedging through global operations, and periodic assessment of macroeconomic indicators to support responsive planning.

Technology, Cybersecurity, and Digital Risk Landscape

Potential Business Impact

Increasing reliance on digital and interconnected systems heightens exposure to cybersecurity threats, system disruptions, and data protection risks, potentially impacting business continuity and stakeholder confidence.

Management Approach / Mitigation

Ongoing monitoring of IT and OT networks, regular assessment of cyber risk posture, continuous monitoring mechanisms, and employee awareness initiatives.

Regulatory and Compliance Environment Evolution

Potential Business Impact

Evolving regulatory expectations related to quality systems, data integrity, environmental compliance, and product traceability may increase compliance complexity, timelines, and costs, and require enhanced preparedness across sites.

Management Approach / Mitigation

Continuous monitoring of regulatory developments, proactive engagement with regulatory authorities, periodic internal reviews and audits, and strengthening compliance frameworks.



Governance

Built on Trust, Integrity and Accountability

In today's rapidly evolving pharmaceutical landscape, strong governance serves as a critical foundation for innovation, regulatory compliance and strategic decision-making. It enables organisations to navigate complexity with agility while maintaining transparency, accountability and long-term strategic focus.

Our enterprise-wide risk management framework supports the proactive identification, evaluation and mitigation of existing and emerging risks across the organisation. Through periodic reviews, cross-functional collaboration and active Board oversight, we continue to enhance our risk management capabilities to support sustainable performance.

At the core of this structure is a diverse Board that brings strategic insight, balanced oversight and varied industry experience, enabling effective decision-making in a dynamic operating environment. Our governance approach is also reinforced by a strong focus on data ownership, accountability and lifecycle management, ensuring greater integrity, security and reliability across enterprise-wide information systems.

3
Women Directors

6
Independent Directors

97%
Board Meeting Attendance

Board Composition

Our Board comprises experienced industry leaders with diverse professional backgrounds, bringing valuable perspectives across multiple areas of the business. Guided by a long-term strategic outlook, the Board plays a vital role in driving sustainable value for stakeholders. As the apex governing body, it provides strategic direction while ensuring strong oversight across economic, social and environmental aspects.

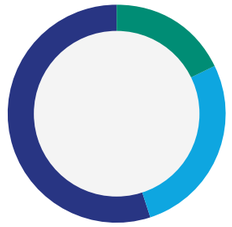
Age Diversity

<45 years	18%
45-60 years	9%
>60 years	73%



Years of Experience

<20 years	18%
20-40 years	27%
>40 years	55%



Gender Diversity

Male **73%**

Female **27%**

Board Committees

Our governance framework is reinforced through dedicated Board-level committees that provide focused oversight across critical business, financial, operational and sustainability matters. These committees support informed decision-making, strengthen accountability and facilitate detailed evaluation of specialised areas critical to long-term organisational performance.

Audit Committee

Oversees financial reporting, internal controls, statutory and internal audits, compliance processes and risk assurance processes to uphold transparency, governance standards and financial integrity.

Nomination and Remuneration Committee

Reviews Board composition, leadership succession, performance evaluation and remuneration structures to support effective leadership and governance practices.

Share Transfer and Stakeholders Relationship Committee

Addresses stakeholder grievances, oversees share transfer processes and strengthens communication and engagement with shareholders and investors.

Sustainability and Corporate Social Responsibility (CSR) Committee

Provides direction on sustainability and CSR strategies, monitors ESG initiatives and reviews programmes related to environmental stewardship and community development.

Risk Management Committee

Oversees enterprise-wide risk management processes, evaluates strategic and operational exposures and monitors mitigation actions to strengthen organisational resilience.

Business Review Committee

Assesses operational and business performance across functions, monitors strategic initiatives and supports timely decision-making to improve execution effectiveness.

Governance (Contd..)

Policies and Procedures

Our governance framework is supported by a comprehensive set of policies and procedures that guide ethical conduct, regulatory compliance, operational accountability and responsible decision-making across the organisation. These policies promote transparency, uphold robust governance standards and enable consistent business practices aligned with long-term organisational objectives.

Code of Conduct for Board and Senior Management Personnel

Defines expected standards of ethical behaviour, integrity, accountability and professional conduct for directors and senior leadership.

Code of Conduct for Prohibition of Insider Trading

Establishes controls and compliance measures to prevent misuse of unpublished price-sensitive information and promote fair trading practices.

Code of Practices and Procedures for Fair Disclosure

Guides transparent, timely and uniform disclosure of material information to stakeholders and the investment community.

Code of Business Conduct

Outlines principles governing responsible business behaviour, ethical operations, compliance practices and workplace conduct across the organisation.

Corporate Social Responsibility Policy

Provides the framework for planning, implementation and monitoring of CSR initiatives aligned with community development priorities and regulatory requirements.

Dividend Distribution Policy

Defines the principles governing profit distribution to shareholders while maintaining financial stability and future growth requirements.

Performance Evaluation and Remuneration Policy

Establishes evaluation parameters and remuneration practices for directors and senior management to support performance-driven governance.

Policy on Material Subsidiaries

Provides governance guidelines for the oversight, monitoring and management of material subsidiary entities.

Related Party Transactions Policy

Defines the framework for identification, review, approval and disclosure of related party transactions to strengthen transparency and accountability.

Risk Management Policy

Establishes the approach for identification, assessment, monitoring and mitigation of enterprise-wide risks across business operations.

Vigil Mechanism and Whistle Blower Policy

Provides a secure framework for reporting unethical practices, misconduct or compliance concerns while ensuring confidentiality and protection against retaliation.

Environment, Health, Safety and Wellness Policy

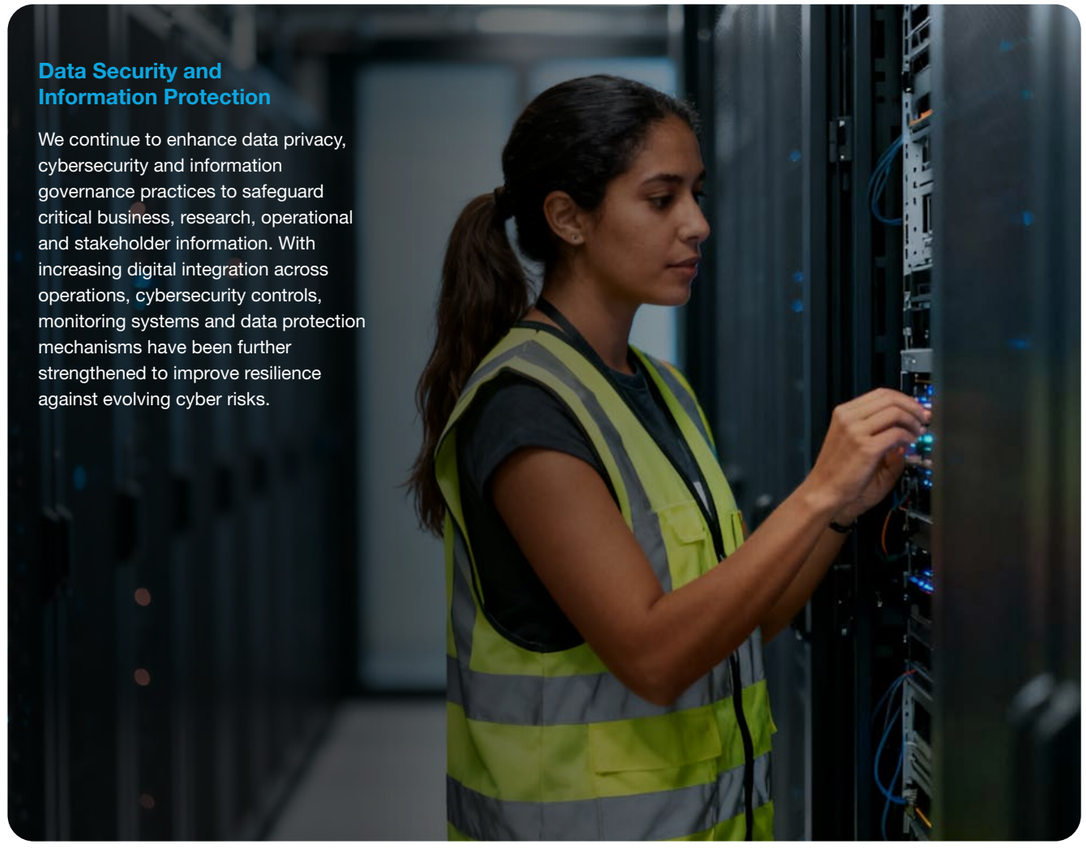
Establishes a comprehensive framework for protecting the environment and safeguarding the health, safety, and wellbeing of employees, contractors, visitors, and other stakeholders across all operations. The policy outlines the Company's commitment to preventing environmental impacts, occupational injuries, illnesses, and unsafe conditions through effective risk management, regulatory compliance, resource conservation, pollution prevention, and the adoption of safe work practices. It further promotes a culture of physical, mental, and social wellbeing by encouraging employee engagement, health awareness, wellness initiatives, and continuous improvement, thereby fostering safe, healthy, and sustainable workplaces while supporting long-term business resilience and responsible growth.

Ethics, Compliance and Integrity

Our governance framework is anchored in strong ethical standards, regulatory compliance and responsible business conduct across all operations. Continuous strengthening of governance systems supports transparency, accountability and alignment with evolving statutory and industry requirements. By integrating compliance practices with business processes, we reinforce stakeholder confidence and support long-term sustainable growth.

Code of Conduct

Our Code of Conduct defines the principles and standards that guide professional behaviour, ethical decision-making and operational accountability across the organisation. Applicable to employees, senior management and the Board, the framework promotes integrity, transparency, mutual respect and compliance with applicable regulations. Periodic awareness programmes, training sessions and communication initiatives help strengthen understanding and implementation of these principles across functions and locations.



Data Security and Information Protection

We continue to enhance data privacy, cybersecurity and information governance practices to safeguard critical business, research, operational and stakeholder information. With increasing digital integration across operations, cybersecurity controls, monitoring systems and data protection mechanisms have been further strengthened to improve resilience against evolving cyber risks.

Sustainability Governance

Our sustainability governance framework enables structured oversight, cross-functional coordination and organisation-wide alignment of ESG priorities. The framework integrates sustainability considerations into strategic planning, operational execution and performance monitoring, supporting responsible business practices and long-term value creation.

Built on a multi-tier governance structure, the framework strengthens accountability at every level of the organisation while enabling timely decision-making, continuous monitoring and effective implementation of ESG initiatives across functions and locations.

Governance (Contd..)

Governance Structure

01

Strategic Oversight

Sustainability and Corporate Social Responsibility Committee (Board Level)

The Board-level Sustainability and CSR Committee provides strategic guidance on sustainability priorities and oversees the integration of ESG considerations into business strategy, governance practices and long-term organisational objectives.

Meeting frequency

Half-yearly

Committee composition

- Chairman and Managing Director
- Executive Director
- Independent Directors

Key focus areas

- Integrating ESG considerations into decision-making processes
- Aligning sustainability priorities with long-term business strategy
- Reviewing ESG-related risks and opportunities
- Monitoring sustainability performance and improvement initiatives
- Strengthening governance and regulatory alignment

02

Executive Governance

Executive Management Team

The Executive Management Team serves as the central coordination body responsible for translating sustainability strategy into actionable roadmaps and enterprise-wide implementation plans. The team drives cross-functional alignment, monitors ESG progress across operations and supports effective execution of sustainability priorities throughout the organisation.

Meeting frequency

Quarterly

Members include

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

Key focus areas

- Developing sustainability roadmaps aligned with strategic priorities
- Tracking ESG performance and implementation progress
- Driving cross-functional collaboration and accountability
- Conducting periodic reviews and recommending corrective actions

Leadership

- **Chairperson:** Chairman and Managing Director
- **Convener:** Head - EHS & Sustainability

03

Operational Execution

Plant-level Execution Teams

Plant-level execution teams are responsible for implementing ESG initiatives across manufacturing locations and operational functions. These teams monitor site-level performance, strengthen compliance practices and support continuous improvement initiatives.

Meeting frequency

Monthly

Functional representation

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

Key focus areas

- Implementing ESG initiatives at operational sites
- Monitoring performance through dashboards and periodic reviews
- Identifying operational challenges and improvement opportunities
- Supporting timely reporting and management reviews

Leadership

- **Chairpersons:** Plant Heads
- **Conveners and Coordinators:** Head of Engineering, Plant Head of EHS and Sustainability Team Representatives

Enabling Effective ESG Integration

Induction and Capacity Building

We have strengthened sustainability awareness and capability building across functions through structured induction programmes, periodic training sessions and governance-led communication initiatives. These interventions support stronger alignment with organisational ESG priorities and evolving stakeholder expectations.

Integrated and Impact-Oriented Approach

Our governance model enables clear accountability, effective execution and measurable progress across sustainability priorities. Through collaboration between strategic, executive and operational teams, we improve ESG integration across the organisation while advancing continuous improvement and responsible growth.

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.



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.



Ms. Priyanka Chigurupati
Executive Director

Ms. Priyanka Chigurupati, Executive Director, Granules India Limited leads Global Sales, Strategy and Quality Compliance, among other roles within the Company. She has been with Granules for over 15 years and has contributed across multiple divisions, serving in various leadership capacities. She is currently also serving as a Director at Granules Pharmaceuticals Inc., where she held the position of Executive Director from 2017 to 2024. Priyanka holds a Bachelor of Science in Business Management from Case Western Reserve University in Cleveland, Ohio, and has completed an Executive Leadership Program at Harvard Business School, Boston, Massachusetts.



Mr. Harsha Chigurupati
Executive Director

Mr. Harsha Chigurupati has been with Granules India since 2006 and was operational in multiple departments across the Company. Over the years he has focused on driving transformation, innovation, and long-term strategic growth across the pharmaceutical and healthcare sectors. With leadership responsibilities spanning technology, transformation, and organizational development, He is particularly passionate about leveraging emerging technologies, artificial intelligence, and advanced manufacturing to create scalable, globally competitive businesses. Combining an entrepreneurial mindset with a strong emphasis on accountability, agility, and execution, he continues to champion initiatives that strengthen organizational capabilities, foster innovation, and position the company for sustained global growth.



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 organizations like Warner Hindustan, Cipla and Dr. Reddy's.

He led large teams in manufacturing while institutionalizing 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.

Board of Directors



Mr. Arun Sawhney
Independent Director

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

Mr Sawhney possess deep expertise in the areas of corporate strategy, business development, sales and marketing and new product planning to commercialization. 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 Indian Pharmaceutical Export Promotion Council (Pharmexcil) and was Chairman of Pharmaceutical Committee of the Confederation of Indian Industries (CII) during 2012-2014. Mr. Sawhney is currently engaged with leading Companies in advisory capacity and 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.



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.

Board of Directors



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 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 and 2024-25, 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.

Management Team



Dr. Krishna Prasad Chigurupati
Chairman & Managing Director

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Mrs. Uma Devi Chigurupati
Executive Director

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Mrs. Priyanka Chigurupati
Executive Director

read bio on page 51



Mr. Harsha Chigurupati
Executive Director

read bio on page 51

Management Team



Mr. Mukesh Surana
Chief Financial Officer

Mukesh Surana is a Chartered Accountant with All India ranks in both CA Final and Intermediate examinations. He brings over two and a half decades of diverse global experience across pharmaceuticals, manufacturing, infrastructure, commodities, global supply chains, and fast-moving consumer businesses. Prior to joining Granules India, he has worked with leading organizations including Garware Technical Fibres, Kalpataru Projects International and Asian Paints, where he built deep expertise in strategy, finance, transformation, and business operations. In his current role as CFO of Granules India Ltd., he leads finance, treasury, taxation, risk management, investor relations, legal, and governance functions across the Company's global operations. He plays a key role in strengthening financial discipline, capital allocation, enterprise risk management, and investor engagement, while supporting the Company's strategic transformation and global growth agenda. His contributions include strategic M&A, robust cash-flow and balance sheet management, and implementation of governance and risk frameworks. He has received several industry recognitions, including CII CFO Excellence Award in 2024 and Best CFO Award – Business World in 2022, and is widely regarded as a strategic finance leader with deep expertise in business transformation, governance, and value creation.



Dr. P.V. Srinivas
Chief Technology Officer

Dr. Srinivas is a PhD in Organic Chemistry from Osmania University & a Post Doctorate from the University of Mississippi, USA.

He comes with over 35 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. He has expertise in generic API development and end to end execution of projects from conceptualization till commercialization. Dr. Srinivas has filed more than 100 patents and has 53 paper publications. He is a Fellow of Royal society of Chemistry (FRSC) and Member research council of Indian Institute of Chemical Technology (IICT, Hyderabad). He is also an adjunct professor at department of chemistry, IIT, Hyderabad. He has worked with Organisations such as IICT, Biocon, Cipla & PI Industries in his earlier assignments.



Mr. Vinodkumar Parur
Chief Human Resources Officer

Mr. Vinodkumar Parur has over 24 years of experience in human resources leadership across multiple sectors, including manufacturing, engineering, pharmaceuticals and infrastructure. Mr. Parur has been involved in HR function set up for IPO preparation, mergers and acquisitions, implementation of HRMS systems, leadership development and employee engagement programs. His previous senior roles include Chief Human Resources Officer at RR Kabel Limited & Nilkamal Limited and senior HR leadership roles at A.T.E. Group & Schindler India. He holds a master's degree in management studies (Human Resources) from PIMSR, Mumbai University, and a bachelor's degree in commerce and economics from NMIMS, Mumbai University. He is certified in several HR assessment and training programs and is a member of advisory and academic boards.



Mr. Sanjay Kumar
President and Chief Strategy Officer

Sanjay Kumar holds a B.Tech from IIT Kanpur and an MBA from IIM Bangalore (Director's Merit List). He has completed the CFA Program (CFA Institute, USA) and attended the Stanford Graduate School of Business. He brings over 20 years of experience in corporate strategy, M&A, investor relations, and business transformation across global pharmaceutical organisations. At Granules India, Sanjay serves a dual mandate as Chief Strategy Officer and Business Head of Ascelis Peptides, the Company's peptide CDMO subsidiary. He drives enterprise strategy, evaluate growth opportunities, lead M&A, and manage key investor relations mandates. He has also led Granules' corporate sustainability programme, which has earned top industry recognitions.



Mr. Ramraj Rangarajalu
President And Head - Formulations Operations

Mr. Ramraj Rangarajalu holds an M.Pharm degree from Tamil Nadu Dr. MGR Medical University and brings nearly three decades of distinguished leadership experience in pharmaceutical operations. As President – Operations, he drives end-to-end formulation manufacturing strategy, encompassing large-scale plant operations, quality and regulatory excellence, operational transformation, and enterprise-wide productivity enhancement. He has a proven track record in steering complex manufacturing networks, accelerating new product scale-ups, and delivering sustainable business outcomes through robust execution and governance. His expertise spans multiple dosage forms, including oral solid dosage, small-volume parenteral, and topical formulations.

Over his career, Mr. Ramraj has held key leadership roles at leading pharmaceutical organizations such as Zydus Life Sciences, Granules India Limited, Aurobindo Pharma, and Dr. Reddy's Laboratories. At Granules India, he leads formulation manufacturing operations across multiple sites in India, driving operational excellence, compliance rigor, cost optimization, and capacity expansion aligned with the company's growth agenda.

Management Team



Dr. Baskaran PN
President & Head - API Operations

Dr. Baskaran P.N. holds a Doctorate in Chemical Engineering from Annamalai University and brings over three decades of leadership experience across API, PFI, and FD operations He possesses deep expertise in manufacturing operations, supply chain management, engineering projects, EHS, automation, and regulatory compliance. Currently serving as President & Head – API Operations at Granules India Limited, he leads end-to-end API manufacturing operations across India, driving performance, compliance, and strategic growth.

Dr. Baskaran is recognized for his ability to combine strategic leadership with strong shop-floor execution, effectively translating business objectives into operational outcomes. His experience spans complex, regulated environments, including high-potent and large-scale manufacturing. He has a proven track record in cost optimization, productivity improvement, audit readiness, and building high-performing teams. His leadership approach is rooted in data-driven decision-making, disciplined execution, and cross-functional collaboration, enabling sustainable value creation and operational excellence at scale.



Mr.Rajesh Kapoor
Global Head- Quality

Dr. Kapoor has a distinguished academic background with a Ph.D. in Biochemistry from the University of Lancaster, England, a B.S. in Biochemistry from the University of Essex, England, and an MBA from Suffolk University, Boston. His expertise spans Quality Operations (QA/QC) including aseptic and non-aseptic processes, Technology Transfer, Validation, Clinical Quality Assurance and GAP analysis. He has successfully managed quality operations for contract manufacturing, finished products, and APIs, collaborating effectively with Manufacturing, Regulatory Affairs, and R&D. His achievements include implementing compliance programs aligned with cGXP standards, overseeing third-party vendors, and managing regulatory submissions while hosting successful inspections by global agencies such as FDA, ANVISA, TGA, Health Canada, Japan Health and MHRA. Additionally, his experience encompasses audits across commercial manufacturing, clinical trials, and CRO operations. He has over 35 years of experience across leading organizations such as P&G, Becton Dickinson, Wyeth, Takeda, Genzyme, Sun Pharma, Jubilant. Dr. Rajesh Kapoor joined Granules Pharmaceuticals, Inc., a wholly owned foreign subsidiary of the Company in 2022 as Head of Quality for North America. In his role as Global Head of Quality, Dr. Kapoor oversees quality across all sites of Granules globally and harmonises systems and practices.



Dr. Vijay Raghavan
President, Global Portfolio

Dr Vijay Raghavan is a seasoned pharmaceutical professional with over 25 years of global experience in developing processes for generic APIs, intellectual property, litigation, project management, business development and alliance management. He is a recipient of fellowship from ICMR and UGC and has worked in reputed pharmaceutical companies in India and abroad. In August 2023, Vijay Raghavan joined us as President of Global Portfolio.



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

Mr. ManiKandan Ramalingam is pharmaceutical technologist with 27 years of experience and holds M. Pharma Tech from NIPER (Mohali), PhD in Pharmaceutical Sciences and Master black belt in six sigma. In his experience, worked in providing technical, strategic, and functional leadership in uniquely challenging positions in Pharmaceutical Research. Worked at Sun Pharma and Dr. Reddy's prior to joining Granules; and served as functional head of Product development Research and subject matter expert for formulation at Dr.Reddy's. Has expertise in, API Assessment for FD design & API – FD integration, Pre-formulation, Formulation design. (Different type of dosage forms), Biopharmaceutics and pharmacokinetics, New Technology adoption and Product Scale up and manufacturing. Also served in leading cross functional research team, change management, Training and team building, Regulatory risk management, product selection assessment, Contract research management, thereby ensuring successful translation of products from Ideation to the Market.

Awards and Recognition

Sustainability Award at Haleon's Winning Together – Supplier Summit 2026



Granules was honoured the Sustainability Award at Haleon's Winning Together – Supplier Summit 2026, recognising Granules India's measurable progress in reducing our environmental footprint and our team's commitment to sustainable growth.

Best CSR Initiative Award - Indian Social Impact 2025



We were recognized with the "Best CSR Initiative" Award for Breast Cancer Screening & Awareness in Rural Communities in the Year 2025 at the Indian Social Impact Awards 2025, an initiative by Indian CSR Awards held in New Delhi. Our valued health partner, Dr.Pragnya Chigurupati, Consultant Breast Oncologist at AIG Hospitals and Founder of UC Breast Foundation.

Most Powerful Women in Business Award 2025 hosted by Business Today



Our Executive Director, Ms. Priyanka Chigurupati, has been honoured with the Most Powerful Women in Business Award 2025 hosted by Business Today at the National Stock Exchange, Mumbai.

CII-EHS Excellence Awards 2025 Location: New Delhi



Granules received the Silver Award at the CII National EHS Excellence Awards 2025 for its Gagillapur Unit and Granules Life Sciences site, while Unit-I Bonthapally and Unit-IV Visakhapatnam were recognized with the Bronze Award during the same ceremony.

Pharma Quality Excellence Award



We were honoured to receive the Pharma Quality Excellence Award for Continuous Learning, recognising the learning culture we are building at Granules India Limited.

Exemplary Leadership in Social Impact and Corporate Responsibility Award



India Philanthropy Summit 2025 by EdelGive Foundation

Award conferred on Mrs Uma Chigurupati for her contributions to social impact and corporate responsibility.

Silver Donor Recognition Award



Our US subsidiary, Granules Pharmaceuticals, Inc., has been recognized by the US Pharmacopeia (USP) Convention with a Silver Donor Recognition Award for two consecutive years: 2024 and 2025.

Telangana Green Manufacturing Leadership Award



Recognized with the Telangana Green Manufacturing Leadership Award presented by the Asian Confederation of Businesses.

Distinguished Fellow 2025 by the Institute of Directors (IOD), India



Our Founder, Chairman and Managing Director, Dr. Krishna Prasad Chigurupati, was honoured as the Distinguished Fellow 2025 by the Institute of Directors (IOD), India, recognising his contribution to innovation, sustainability and ethical enterprise. He dedicated the honour to the entire Granules family.

CII-Triveni Water Institute



Our facilities in Gagillapur and Bonthapally Unit-I have been recognized as Water Neutrality Aspiring Plants by the CII-Triveni Water Institute at the 11th Water Innovation Summit 2025 in New Delhi.

Excellence in Strategic Automation Award



We were recognised with the Excellence in Strategic Automation Award (Above INR 2000 Cr. Category) at the Pharma Manufacturing and Automation Excellence Awards 2025, recognising our automation initiatives focused on:

- Automation and mechanisation to reduce manual effort
- IIoT and AI driven predictive maintenance to minimise downtime
- Digitalisation to strengthen compliance, quality and data integrity

Commitments

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
THE NET ZERO STANDARD
APPROVED NET-ZERO TARGETS

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

PSCI Supplier Partner

Member of the Pharmaceutical Supply Chain Initiative (PSCI) as an official Supplier Partner, reinforcing its commitment to ethical, responsible, and sustainable supply chain practices.

WE SUPPORT
UN GLOBAL COMPACT

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

In support of
WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

Become an official signatory to the UN-WEP (UN Women-UN Global Compact Women's Empowerment Principles), reaffirming its commitment to gender equality and alignment with SDG5 (Gender Equality).

Memberships and Associations

BDMAI BULK DRUG MANUFACTURERS ASSOCIATION OF INDIA

Bulk Drug Manufacturer Association of India (BDMAI)

WORLD ECONOMIC FORUM | Telangana Centre for the Fourth Industrial Revolution

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

CII

Confederation of Indian Industry (CII)

VENDOR

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

National Safety Council of India

BRITISH SAFETY COUNCIL | Member

British Safety Council

Partner Collaboration Platforms

ProjectGigaton

SMETA | Sedex
SMETA the Sedex Members Ethical Trade Audit

Secaro

sphera

Oren

Ratings and Certificates

GOLD | Top 5%
ecovadis
Sustainability Rating
MAY 2025

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

CDP
Discloser
2025

Achieved CDP Climate Change A List 2025 recognition, progressing from C to B to A over three disclosure cycles, and secured inaugural CDP ratings of B in Water Security and B– in Forests.

Supplier Engagement Leader
CDP
2025

Achieved an A List rating in CDP's Supplier Engagement Assessment (SEA) 2025, demonstrating strong leadership in engaging its supply chain on climate action.

Granules India Limited
Pharmaceuticals
Corporate Sustainability Assessment (CSA) Score 2025
62 /100

Achieved an S&P Global ESG Score of 62 out of 100.

SCAN
Supplier Compliance Audit Network

Granules Gagillapur unit has cleared the C-TPAT (Customs Trade Partnership Against Terrorism | US Customs and Border Protection) Audit with a 97% score

MSCI
ESG RATINGS
CCC B BB BBB A AA AAA

Retained BB ratings in MSCI ESG Ratings

Expires 2026-10-16
SUPPLIER PLUS
Sedex

Achieved Sedex Supplier Plus certification, demonstrating strong performance across social, environmental, and responsible sourcing parameters within its supply chain.

Great Place To Work.
Certified
MAY 2025 – MAY 2026
INDIA

Certified as a Great Place to Work®

BUREAU VERITAS
ZERO WASTE TO LANDFILL
Gagillapur Unit

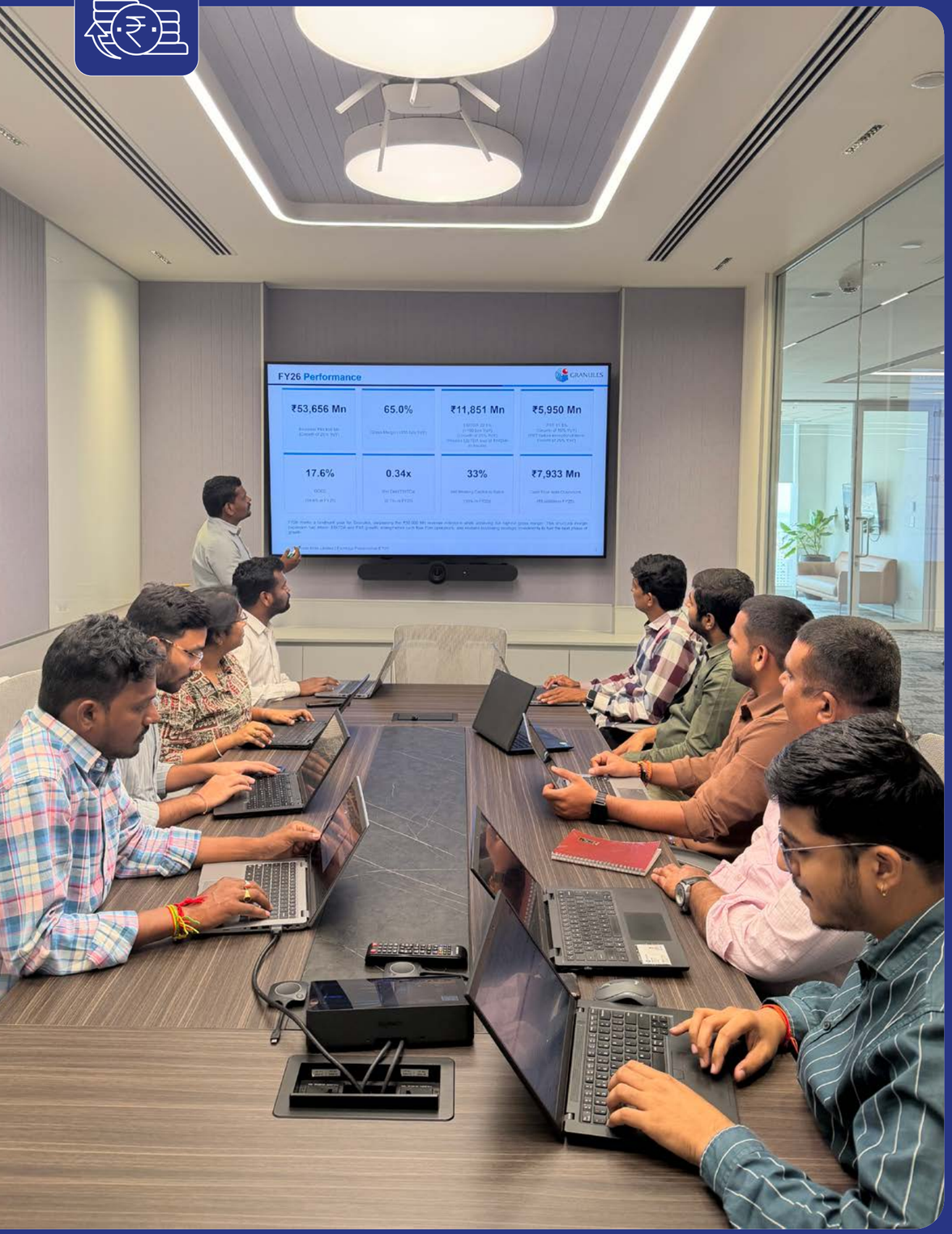
Gagillapur unit has achieved Zero Waste to Landfill (ZWTL) Certification with Platinum + Rating with over 99% waste diversion rate from Landfill.

ASPIRING WATER POSITIVE PLANT
CII-TRIVENI WATER INSTITUTE
Gagillapur and Bonthapally units

Gagillapur and Bonthapally Unit–I have been recognized as Water Neutrality Aspiring Plants by CII–TWI.

ISO 14001 CERTIFIED
ISO 45001 CERTIFIED
SA 8000 COMPLIANCE

All Granules manufacturing and R&D units are certified to ISO 14001 and ISO 45001 and are compliant with SA8000 requirements through internationally accredited certification bodies. Certification validity and details are available in the Certifications section at: https://granulesindia.com/sustainability/



Financial Capital

Financial capital enables us to invest in growth, strengthen operational capabilities and create sustainable value for stakeholders. Through disciplined capital allocation, prudent balance sheet management and a focus on profitability, we enhanced financial resilience while investing in manufacturing expansion, research and development, digitalisation and future-ready capabilities. Our approach balances short-term performance with long-term value creation, ensuring that every investment supports our strategic priorities and growth ambitions.

Strategic Priorities	Our Approach	Value Created in FY26
Drive profitable growth	Focus on product mix enhancement and operational efficiency	Revenue increased to **₹53,656 Mn**
Improve margins and returns	Optimise costs and enhance productivity across operations	EBITDA grew **25%** to **₹11,851 Mn**
Maintain capital discipline	Invest selectively in manufacturing, R&D and growth opportunities	Gross Margin improved to **65.0%** and EBITDA Margin to **22.1%**
Strengthen financial resilience	Improve cash generation and maintain a prudent capital structure	Cash flow from operations of **₹7933 Mn** and supported future growth investments

SDGs Impacted



Financial Capital (Contd..)



Enhancing Financial Strength

FY26 reflected the benefits of Granules' disciplined approach to capital allocation, operational efficiency and portfolio optimisation. Revenue grew to ₹53,656 Mn, while EBITDA increased to ₹11,851 Mn, supported by a favourable product mix, improved gross margins and sustained investments in growth platforms. The business maintained a healthy balance between profitability enhancement and strategic investments, reinforcing its ability to create long-term stakeholder value.

Capital Allocation with Purpose

Our financial strategy remains centred on deploying capital towards opportunities that strengthen competitiveness and support future growth. During FY26, investments continued across manufacturing infrastructure, research and development, digital initiatives and quality systems, while maintaining a disciplined approach to costs and working capital management.

The year also witnessed continued investments in people capabilities and innovation, positioning the Company to capture opportunities in complex generics, CDMO services and differentiated pharmaceutical offerings.

Strengthening Profitability

Profitability improved across key metrics during the year. Gross margin expanded to 65.0%, while EBITDA margin improved to 22.1%, reflecting the benefits of product mix enhancement, operational efficiencies and scale advantages.

Our focus on improving value realisation, optimising costs and strengthening execution capabilities contributed to EBITDA growth of 25% and PAT growth of 19% during the year.

Preserving Financial Flexibility

Granules continued to maintain a prudent approach to balance sheet management, supporting business expansion while preserving financial flexibility. Strong operating cash generation and disciplined capital deployment enabled the Company to fund growth initiatives, invest in strategic capabilities and maintain a resilient financial position.

Revenue (₹ Mn)

53,656

FY 2025-26	53,656
FY 2024-25	44,816
FY 2023-24	45,064
FY 2022-23	45,119

Cash Flow from Operations (₹ Mn)

7,933

FY 2025-26	7,933
FY 2024-25	8,666
FY 2023-24	4,394
FY 2022-23	7,387

Gross Margin (₹ Mn)

34,899

FY 2025-26	34,899
FY 2024-25	27,559
FY 2023-24	24,851
FY 2022-23	22,046

Gross Margin (%)

65.0

FY 2025-26	65.0
FY 2024-25	61.5
FY 2023-24	55.1
FY 2022-23	48.9

EBITDA (₹ Mn)

11,851

FY 2025-26	11,851
FY 2024-25	9,452
FY 2023-24	8,560
FY 2022-23	9,138

EBITDA Margin (%)

22.1

FY 2025-26	22.1
FY 2024-25	21.1
FY 2023-24	19
FY 2022-23	20.3

PAT (₹ Mn)

5,950

FY 2025-26	5,950
FY 2024-25	5,015
FY 2023-24	4,053
FY 2022-23	5,166

PAT Margin (%)

11.1

FY 2025-26	11.1
FY 2024-25	11.2
FY 2023-24	9
FY 2022-23	11.4

ROCE (%)

17.6

FY 2025-26	17.6
FY 2024-25	16.6
FY 2023-24	16.5
FY 2022-23	21.1

Asset Turns (x)

1.45

FY 2025-26	1.45
FY 2024-25	1.54
FY 2023-24	1.77
FY 2022-23	2.06

Net Debt (₹ Mn)

4,021

FY 2025-26	4,021
FY 2024-25	7,061
FY 2023-24	8,421
FY 2022-23	7,671

Net Debt / EBITDA (x)

0.34

FY 2025-26	0.34
FY 2024-25	0.75
FY 2023-24	0.98
FY 2022-23	0.84

CCC Days

220

FY 2025-26	220
FY 2024-25	202
FY 2023-24	161
FY 2022-23	132

Capex (₹ Mn)

5,547

FY 2025-26	5,547
FY 2024-25	5,700
FY 2023-24	3,788
FY 2022-23	4,105



Manufactured Capital

Our manufacturing network combines scale, integration and operational excellence to support the delivery of high-quality pharmaceutical products across global markets. Spanning APIs, PFIs, finished dosages, packaging and peptide manufacturing, our facilities are supported by advanced technologies, robust quality systems and global regulatory standards. Through digitalisation, process optimisation and manufacturing agility, we enhance supply reliability, improve productivity and address the evolving requirements of customers across regulated and emerging markets.

Strategic Priorities	Our Approach	Value Created in FY26
Strengthen manufacturing resilience	Leverage an integrated and multi-site manufacturing network	**10** manufacturing facilities globally
Enhance operational excellence	Advance digitalisation, automation and continuous improvement initiatives	**39 Bn+** annual finished dosage capacity
Uphold quality and compliance	Maintain harmonised quality systems and robust regulatory oversight	Comprehensive quality management systems enabling reliable product delivery
Support future growth	Expand capabilities across complex generics, peptides and differentiated products	**39,360 TPA** API capacity and presence across India, USA and Switzerland

SDGs Impacted



Manufactured Capital (Contd..)

Advanced Manufacturing Infrastructure Across Global Markets

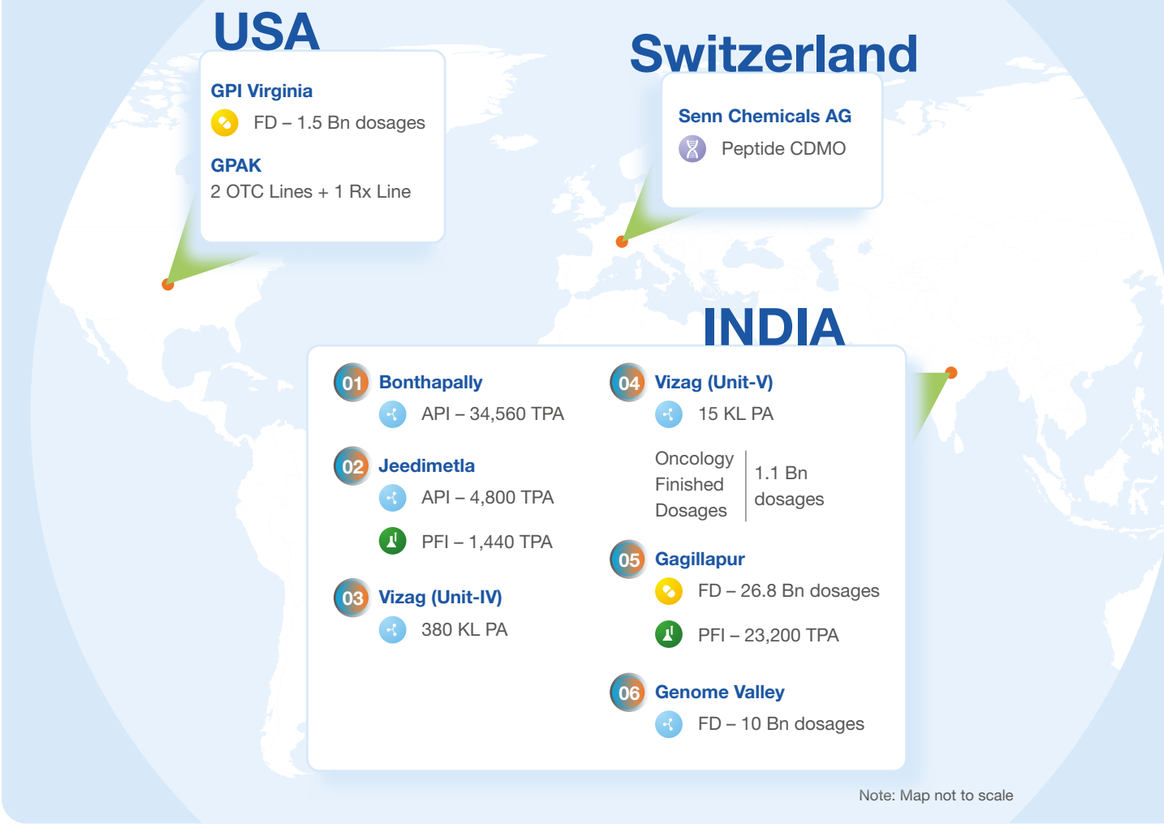
Our manufacturing platform is designed to deliver scale, quality and supply reliability across global pharmaceutical markets. Built over four decades, the platform integrates APIs, pharmaceutical formulation intermediates, finished dosages, packaging and peptide manufacturing capabilities within a coordinated operating model. This integrated structure strengthens supply security, enhances operational efficiency and enables us to respond effectively to evolving customer and regulatory requirements.

Today, our manufacturing footprint spans India, the United States and Switzerland, bringing together specialised capabilities across the pharmaceutical value chain. The network supports a broad portfolio ranging from high-volume products to differentiated and complex formulations, while providing the flexibility required to serve customers across regulated and emerging markets.



Manufacturing Footprint Designed for Scale

Our facilities have been strategically developed to support both volume growth and increasing product complexity.



Note: Map not to scale

Integrated Manufacturing Advantage

The strength of our manufacturing platform lies in its vertical integration. Seamlessly integrated with downstream formulation and finished dosage operations, creating a connected value chain that enhances cost competitiveness, supply assurance and operational agility.

This model enables efficient technology transfer, coordinated production planning and faster commercialisation of products. It also reduces reliance on external suppliers, supports quality consistency and creates greater flexibility to respond to changing market requirements.



Manufactured Capital (Contd..)



Multi-Site Manufacturing for Supply Resilience

Our multi-site manufacturing strategy provides an additional layer of resilience and business continuity. Production can be allocated across facilities based on capacity availability, regulatory status and customer requirements, reducing concentration risk and strengthening supply reliability.

The ability to transfer products between manufacturing locations enhances flexibility and supports uninterrupted service to customers. This capability has become increasingly important as global pharmaceutical supply chains place greater emphasis on dual sourcing, risk mitigation and continuity planning.

Driving Operational Excellence Through Manufacturing Transformation

Operational excellence remains a key pillar of our manufacturing strategy. We focus on continuously enhancing productivity, process reliability and operational agility through technology adoption, process optimisation and disciplined execution across facilities.

As manufacturing environments become increasingly complex, our investments in digitalisation are strengthening process visibility, improving traceability and supporting data-driven decision-making across operations.

Building a Digitally Enabled Manufacturing Network

We are progressively deploying digital manufacturing technologies that strengthen operational control and compliance across facilities. Manufacturing Execution Systems (MES), electronic batch records, Laboratory Information Management Systems (LIMS), electronic logbooks, calibration management systems and digital document platforms are helping create a more connected manufacturing ecosystem.

These initiatives enhance visibility across critical manufacturing processes while supporting stronger compliance controls, improved audit readiness and greater consistency in execution. Real-time access to operational information enables faster decision-making and supports proactive management of manufacturing performance.

Enhancing Process Efficiency and Reliability

Alongside digital transformation, we continue to strengthen operational performance through process optimisation and continuous improvement initiatives.

At our manufacturing facilities, efforts are focused on improving throughput, enhancing equipment utilisation, reducing process variability and strengthening operational reliability. Automation, predictive maintenance programmes and data-driven performance monitoring support efficient resource utilisation while helping minimise operational disruptions.

Our manufacturing teams work closely across functions to identify productivity improvement opportunities and implement best practices that enhance efficiency without compromising quality or compliance.

Scaling for Future Growth

As our portfolio evolves towards differentiated products, complex generics and peptide-based opportunities, manufacturing systems must support greater complexity alongside volume growth.

The addition of manufacturing capabilities at Genome Valley strengthens our ability to support future demand while enhancing operational flexibility. The facility expands dosage manufacturing capacity, strengthens supply resilience and provides additional flexibility to serve regulated markets.

Across the network, investments in advanced manufacturing capabilities, automation and digital infrastructure are creating a scalable platform capable of supporting future growth opportunities while maintaining high standards of quality and reliability.

Operational Excellence Focus Areas

- Digital manufacturing systems
- Automation and process optimisation
- Predictive maintenance and equipment reliability
- Data-driven manufacturing oversight
- Enhanced traceability and compliance
- Scalable production capabilities



Manufactured Capital (Contd..)

Quality, Compliance and Manufacturing Reliability

Quality is embedded across every aspect of our manufacturing operations. Our quality framework combines robust governance mechanisms, harmonised systems, digital quality tools and a culture of continuous improvement to support consistent standards across the global manufacturing network.

As regulatory expectations continue to evolve, we remain focused on strengthening quality systems, enhancing compliance capabilities and reinforcing accountability across facilities.



Quality Differentiators

01 Harmonised global quality systems

02 Strong data integrity and compliance framework

03 Digital quality infrastructure

04 Extensive regulatory approvals and certifications

05 Robust audit readiness and governance processes

06 Continuous improvement culture across facilities

Regulatory Audits

Number of Regulatory Audits

FY 2025-26	13
FY 2024-25	10
FY 2023-24	14

Customer Audits

Number of Customer Audits

FY 2025-26	108
FY 2024-25	106
FY 2023-24	83

Harmonised Quality Systems Across the Network

A common quality framework supports consistency across manufacturing locations. Standard operating procedures, documentation practices, quality controls and training programmes are aligned across facilities, enabling uniform execution and promoting regulatory compliance.

The sharing of best practices across sites strengthens organisational learning while supporting continuous improvement in manufacturing and quality performance.

Advancing Digital Quality Management

Technology is playing an increasingly important role in quality oversight and compliance management. Digital quality systems, electronic batch records, electronic quality management systems, document management platforms and calibration management tools are enhancing traceability and strengthening process controls.

These systems improve visibility across quality processes, support faster issue resolution and enable proactive monitoring of performance indicators. Enhanced digitalisation also strengthens data integrity, audit readiness and regulatory preparedness across manufacturing operations.

Governance in Action

Our quality governance framework is supported by cross-functional oversight, internal audits, management reviews and standardised performance metrics. Continuous training programmes reinforce quality awareness and help ensure alignment with global regulatory expectations.

A strong focus on corrective and preventive actions, deviation management and continuous monitoring supports a proactive approach to quality and compliance.



Regulatory Excellence and Audit Readiness

FY26 marked significant progress across the manufacturing network, with facilities successfully advancing through multiple inspections, approvals and customer audits. These outcomes reflect the strength of our quality systems, the effectiveness of our remediation and improvement initiatives and the disciplined execution of our teams.

The successful regulatory outcomes achieved across manufacturing locations reinforce stakeholder confidence and support our ability to serve customers across highly regulated markets.



Intellectual Capital

Our innovation efforts focus on developing differentiated products, strengthening scientific capabilities and addressing evolving healthcare needs. Through investments in research infrastructure, advanced technologies, specialised talent and collaborative partnerships, we are expanding capabilities across complex generics, peptides and specialised therapies. These efforts support a growing product pipeline, improve development efficiency and create opportunities in high-growth therapeutic segments across global markets.

Strategic Priorities	Our Approach	Value Created in FY26
Strengthen scientific capabilities	Expand research infrastructure and specialised technology platforms	**441** R&D scientists and **6** R&D centres
Build a differentiated product pipeline	Focus on complex generics, oncology, CNS and peptide opportunities	**148** dossiers filed globally
Accelerate product development	Integrate R&D, manufacturing and regulatory capabilities	**97** approvals (including tentative approvals)
Advance future-ready technologies	Invest in peptides, biocatalysis, particle engineering and digital R&D	**109 DMFs** across global markets

SDGs Impacted



Intellectual Capital (Contd..)

Building Scientific Capabilities for Future Growth

The pharmaceutical industry is witnessing a growing shift towards differentiated products, specialised therapies and increasingly complex development pathways. Success in this environment depends on scientific depth, technological capabilities and the ability to translate innovation into commercially viable products. At Granules, our R&D strategy is designed to strengthen these capabilities while supporting long-term growth through a diversified and differentiated product portfolio.

During FY26, we invested ₹2,853 Mn in research and development, representing 5.3% of revenue. These investments support capability expansion across APIs, formulations, peptides, analytical sciences and enabling technologies. Our scientific ecosystem now comprises 441 R&D scientists working across six specialised research centres, creating a strong platform for innovation, collaboration and product development.

A Globally Connected Research Network

Our R&D infrastructure spans multiple centres of excellence, each contributing specialised expertise while operating within an integrated development framework.

R&D Centre	Focus Area
Genome Valley, Telangana	Integrated Product Development
API R&D, Pragathi Nagar, Telangana	Complex APIs, KSMs and Bio Lab
Bio R&D, Pragathi Nagar, Telangana	Complex Finished Dosage Technologies
Pune, Maharashtra	New Technologies and Backward Integration
IITH Kandi (Peptide), Telangana	Peptide Development and Characterisation
Virginia,USA	Complex Finished Dosage Technologies

Expanding Scientific Frontiers

FY26 marked a significant step forward in strengthening specialised scientific capabilities with the inauguration of two Centres of Excellence at IIT Hyderabad.

The Ascelis Centre of Excellence for Peptide Development and Characterisation has been established to support peptide science, analytical characterisation and customer-focused development projects. Alongside this, the Granules Centre of Excellence for Particle Engineering is advancing research in material sciences, polymorph development and novel drug-delivery systems.

These investments strengthen our ability to participate in emerging therapeutic opportunities while creating a stronger foundation for differentiated product development. Together with our existing infrastructure, they broaden the scope of research activities and support innovation across multiple scientific domains.

Scientific Capability Highlights

₹ 2,853 Mn
invested in R&D

5.3%
of sales invested in innovation

441
R&D scientists

6
specialised R&D centres

Research presence across India, USA and Switzerland

R&D Expenditure (₹ Mn)

2,853

FY 2025-26	2,853
FY 2024-25	2,377
FY 2023-24	1,986
FY 2022-23	1,164

R&D Exp. (% of Sales)

5.3

FY 2025-26	5.3
FY 2024-25	5.3
FY 2023-24	4.4
FY 2022-23	2.6

Scaling the Complex Generics Pipeline

Our portfolio transformation strategy is centred on increasing participation in differentiated products and complex generics that offer stronger barriers to entry, greater customer relevance and superior long-term value creation potential. This transition reflects a deliberate effort to move up the complexity curve while leveraging our strengths in development, manufacturing and regulatory execution.

The evolution of our filing portfolio demonstrates this strategic direction. Of the 148 dossiers filed globally, 59 relate to complex generics, highlighting the increasing importance of technically demanding products within the pipeline. The number of annual dossier filings increased to 25 in FY26 from 19 in FY25, reflecting a healthy development engine and growing pipeline momentum.

Building a Robust Regulatory Pipeline

A diversified regulatory filing strategy supports our ability to commercialise products across multiple geographies and therapeutic segments.

Pipeline Momentum

148
cumulative dossiers filed globally

94
approvals received

3
tentative approvals

51
dossiers awaiting approval

59
complex generic dossiers filed

Global Regulatory Footprint

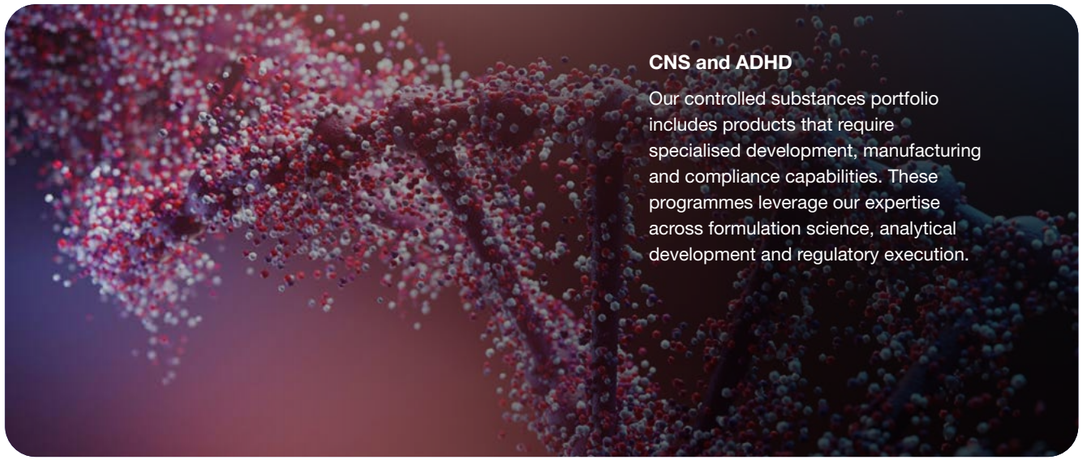
Our development programmes are supported by a broad portfolio of Drug Master Files (DMFs) across key pharmaceutical markets.



Intellectual Capital (Contd..)

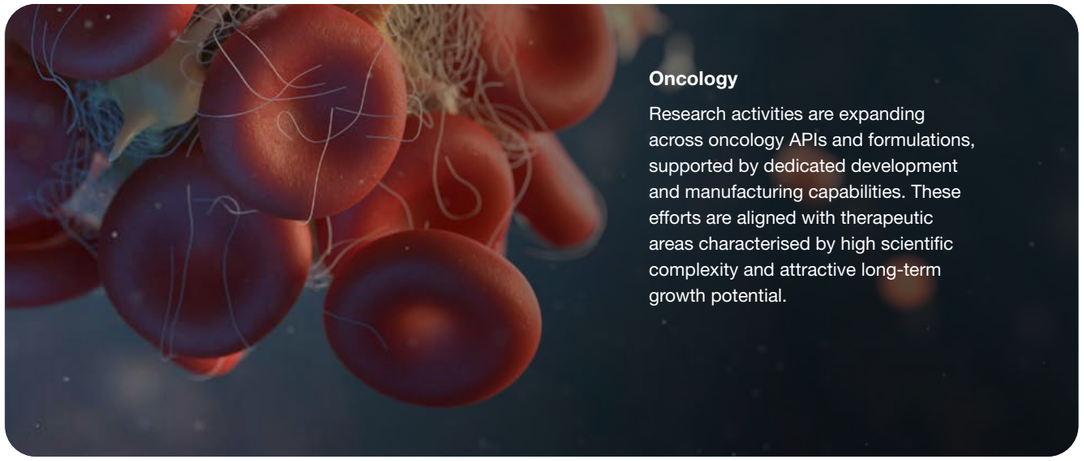
Diversifying the Product Portfolio

The increasing share of complex generics reflects the expanding breadth of our scientific and technical capabilities. Development efforts are focused on product categories where formulation expertise, manufacturing know-how and regulatory capabilities create sustainable competitive advantages.



CNS and ADHD

Our controlled substances portfolio includes products that require specialised development, manufacturing and compliance capabilities. These programmes leverage our expertise across formulation science, analytical development and regulatory execution.



Oncology

Research activities are expanding across oncology APIs and formulations, supported by dedicated development and manufacturing capabilities. These efforts are aligned with therapeutic areas characterised by high scientific complexity and attractive long-term growth potential.



Advanced Dosage Forms

Capabilities continue to expand across modified-release products, MUPS formulations, chewable dosage forms and patient-centric delivery systems. These platforms support differentiation while addressing evolving patient and healthcare requirements.

Accelerating Innovation Through Integration and Digitalisation

Innovation is most effective when scientific expertise, manufacturing knowledge and regulatory capabilities operate in alignment. Our Integrated Product Development (IPD) model brings together multidisciplinary teams across APIs, formulations, analytical sciences, regulatory affairs and manufacturing, enabling seamless collaboration throughout the product lifecycle.

By integrating these capabilities from the earliest stages of development, we are able to accelerate technology transfer, improve development efficiency and strengthen commercial readiness. This collaborative model enhances decision-making, reduces development timelines and supports the successful transition of products from laboratory scale to commercial manufacturing.



Integrated Product Development in Action

At Genome Valley, co-located development teams work closely across functions to ensure products are designed with scalability, manufacturability and regulatory requirements in mind from the outset. This integrated approach promotes knowledge sharing, improves resource utilisation and creates a more agile product development environment.

The model has supported multiple regulatory submissions and approvals during FY26 while strengthening our ability to manage increasingly complex development programmes across global markets.

Digitalising Research and Development

Digital technologies are becoming increasingly important in modern pharmaceutical development. Across our research network, advanced digital tools are improving process understanding, enhancing productivity and supporting data-driven decision-making.

Key Digital Platforms

- Electronic Lab Notebooks (ELN)
- Design of Experiments (DoE) software
- Process Analytical Technology (PAT)
- AI/ML-assisted formulation development
- Predictive dissolution modelling
- Electronic CMC documentation systems
- Digital knowledge-management platforms

Enhancing Development Efficiency

The growing use of digital tools enables researchers to capture, analyse and leverage data more effectively throughout the development process. This not only supports faster decision-making but also enhances process robustness and reproducibility.

By combining scientific expertise with digital capabilities, we are creating a more connected innovation ecosystem that supports efficient product development and future scalability.

During FY ‘26, Granules continued to advance filings and approvals across APIs and finished dosages with a clear emphasis on complex generics. During the year, we filed a total of 6 U.S. ANDAs, 3 EU dossiers, 1 Canadian dossier and 15 filings across various regions. We filed 6 U.S. DMFs, all to support integration of complex products, and 10 other DMFs across various regions.

Intellectual Capital (Contd..)

Expanding Horizons in Peptide Therapeutics

Peptides represent one of the most promising and rapidly expanding segments within the global pharmaceutical industry. Increasing demand for peptide-based therapies across obesity management, diabetes care, oncology and specialised therapeutic applications is creating significant opportunities for companies with the scientific expertise and manufacturing capabilities required to participate in this complex field.

Recognising the long-term potential of this segment, we have been building an integrated peptide platform that combines global scientific expertise, specialised development capabilities and manufacturing know-how.

Strengthening Capabilities Through Senn Chemicals

Senn Chemicals has significantly expanded our presence in peptide development and manufacturing. With decades of expertise in peptide synthesis, the business brings advanced capabilities across Liquid-Phase Peptide Synthesis (LPPS) and Solid-Phase Peptide Synthesis (SPPS), supporting a broad range of pharmaceutical and cosmetic peptide applications.

Its strong technical foundation, established customer relationships and regulatory capabilities provide a valuable platform for participation in the growing peptide market. The integration of Senn Chemicals also broadens our access to global customers while strengthening scientific collaboration across research and manufacturing teams.

Building a Global Peptide Innovation Ecosystem

During FY26, we strengthened peptide capabilities through the establishment of the Ascelis Centre of Excellence for Peptide Development and Characterisation at IIT Hyderabad.

The centre supports

- Peptide development and characterisation
- Process optimisation and scale-up
- TFA-free cosmetic peptide programmes
- Collaborative customer projects
- Advanced analytical capabilities



Addressing High-Growth Therapeutic Segments

Our peptide strategy is aligned with some of the fastest-growing pharmaceutical categories globally.

GLP-1 Related Therapies

The rapid growth of obesity and diabetes treatments is creating significant demand for peptide-based products. Our capabilities are being developed to participate in this evolving opportunity.

Pharmaceutical Peptides

Development programmes are focused on specialised peptide products requiring advanced scientific expertise, process development capabilities and manufacturing precision.

Peptide CDMO Services

Our platform supports customer requirements across development, optimisation and manufacturing activities, strengthening our position within the peptide CDMO space.

Cosmetic Peptides

Capabilities are also being expanded across TFA-free cosmetic peptide applications, creating opportunities beyond traditional pharmaceutical markets.

Creating a Platform for Long-Term Growth

The integration of Senn Chemicals, the establishment of Ascelis and the broader strengthening of peptide research capabilities represent important milestones in the evolution of our innovation ecosystem.

Advancing API and Formulation Research

Our research activities extend across APIs, formulations and enabling technologies that support product differentiation, process efficiency and long-term competitiveness. Through a combination of scientific expertise, technology platforms and collaborative innovation, we are strengthening capabilities across complex chemistry, advanced dosage forms and sustainable manufacturing processes.



Building Advanced API Capabilities

API research is increasingly focused on complex molecules that require specialised development expertise and advanced process technologies. Teams are working across enzyme-based synthesis, biocatalysis, fermentation and process chemistry to enhance efficiency, improve scalability and strengthen cost competitiveness.

The expansion of capabilities in these areas supports the development of differentiated products while creating opportunities to improve process performance and sustainability outcomes.

Focus Areas

- Biocatalysis and enzyme technologies
- Fermentation-based processes
- Process chemistry optimisation
- Backward integration opportunities
- Sustainable manufacturing pathways

Strengthening Formulation Development

Formulation R&D plays a critical role in expanding participation across differentiated products and specialised therapies. Development efforts are focused on creating patient-centric solutions while addressing increasingly complex therapeutic requirements.

Capabilities continue to advance across

- Modified-release formulations
- MUPS technologies
- Controlled substances
- Chewable dosage forms
- Oncology products
- Complex oral solids

Green Chemistry and Sustainable Innovation

Sustainability considerations are increasingly integrated into research activities. Green chemistry principles are incorporated into process design, technology selection and manufacturing optimisation initiatives to improve resource efficiency and reduce environmental impact.

Research teams evaluate process routes using scientific and sustainability metrics, helping identify opportunities to minimise waste generation, improve yields and enhance operational efficiency. Biotransformation and enzyme-enabled processes are also supporting more efficient and environmentally responsible manufacturing pathways.

Looking Ahead

The future of pharmaceutical innovation will be shaped by increasing scientific complexity, evolving patient needs and rapid technological advancement. Our innovation strategy is aligned with these trends, focusing on differentiated products, specialised therapies, peptides, advanced technologies and digital capabilities.

Supported by a strong scientific foundation, integrated development model and expanding research ecosystem, we are strengthening our ability to create innovative solutions that support long-term growth and value creation.



Human Capital

The expertise, experience and aspirations of our people shape our ability to innovate, operate efficiently and create long-term value. As a science-led pharmaceutical company, we focus on creating opportunities for learning, leadership development and career growth while supporting employee well-being, inclusion and workplace safety. Through a people-centric approach, we seek to build a skilled, engaged and future-ready workforce capable of delivering sustainable business success and advancing our strategic priorities.

Strategic Priorities	Our Approach	Value Created in FY26
Attract and retain talent	Provide equitable hiring practices, career development opportunities and a supportive workplace environment	Workforce grew to **4,306** employees, including **1,352** new hires during the year
Build future-ready capabilities	Deliver structured technical, behavioural, digital and leadership development programmes	Employees participated in extensive learning interventions, including **203,765 man-hours** of GMP training and **28,189 man-hours** of EHS training
Advance diversity and inclusion	Increase gender representation and create equitable opportunities across the employee lifecycle	Women represented **10.8%** of employees and **27%** of the Board, reflecting progress towards greater gender diversity
Enhance employee engagement and well-being	Promote employee participation, wellness initiatives and a positive workplace experience	Achieved a **100%** return-to-work rate and maintained an **88%** retention rate
Strengthen workplace health, safety and leadership effectiveness	Build safety awareness and leadership capability through targeted programmes and structured interventions	Delivered leadership programmes such as **First Time Leader and Leadership Accountability**, alongside comprehensive safety and compliance training

SDGs Impacted



Human Capital (Contd..)



Our goal

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

Workforce Profile

A diverse and capable workforce enables us to deliver quality products, strengthen operational performance and support sustainable business growth. During FY26, our work force strength increased to 6,523, while women represented 14.1% of employees and 27% of Board representation, reflecting progress towards our diversity aspirations.

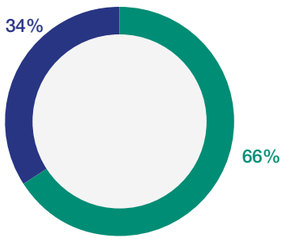
The Company's entire workforce is located in India. Accordingly, all workforce-related disclosures by region pertain to India, and there are no employees or workers located outside India

6,523
Total Work Force (No's)

Workforce at a Glance

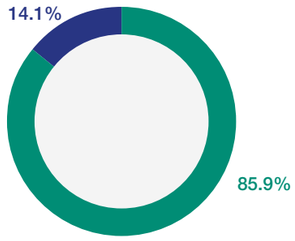
Work Force by Category

Permanent Employees	4,306
Contract Employees	2,217



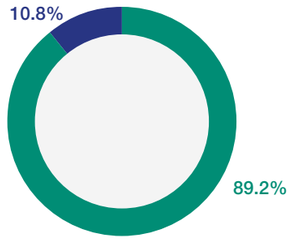
Workforce by Gender

Male	5,602
Female	921



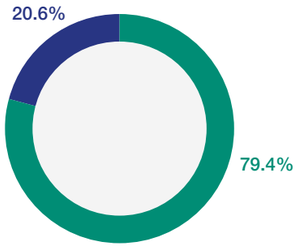
Permanent Employees by Gender

Male	3,842
Female	464



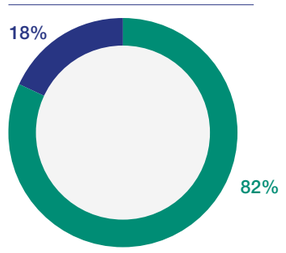
Contract Employees by Gender

Male	1,760
Female	457



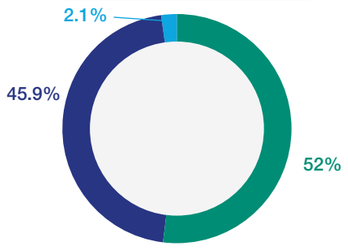
Permanent Employees by category

Work Men (Up to Sr. Executive)	3,531
Executives (Above Sr. Executive)	775



Permanent Employees by Age

<30 Yrs	2,240
30-50 Yrs	1,975
>50 Yrs	91



24.90%
% of Attrition

100%
Return to work rate

88%
Retention rate

27%
Women representation on Board of Directors

Talent Management

We seek to create an environment where employees can grow professionally, build new capabilities and pursue meaningful career opportunities. Through structured career development pathways, performance management processes and internal mobility opportunities, we enable employees to broaden their skills, take on new responsibilities and contribute to business success.

Our approach combines meaningful work, competitive benefits, well-being initiatives and recognition programmes to enhance employee engagement and retention. We also focus on increasing workforce diversity and expanding opportunities for women across functions and levels within the organisation.

Through engagement surveys, town halls, leadership interactions and feedback channels, we encourage employees to share their perspectives and contribute to workplace improvements. These platforms provide valuable insights that help shape people practices and strengthen the employee experience.

We also invest in future talent pipelines through academic collaborations, internship programmes, trainee initiatives and apprenticeship opportunities, providing young professionals with practical industry exposure and a pathway to develop relevant skills.

Fair and Transparent Talent Acquisition Practices

We have established a structured recruitment framework that promotes fairness, transparency and merit-based hiring across all operations. Our hiring processes are designed to provide equal opportunities to candidates and evaluate them based on qualifications, competencies and role-specific requirements.

Talent Acquisition Snapshot

Category	New Hires	Attrition
Total No	1,352	1,074
Male	1,161	975
Female	191	99
Age Group <30	963	690
Age Group 30-50	386	358
Age Group >50	3	26
Work Men (Up to Sr. Executive)	1,146	925
Executives (Above Sr. Executive)	206	149

We maintain compliance with applicable labour laws and International Labour Organization standards through mandatory age verification procedures and robust recruitment controls. Clearly defined job descriptions, structured interviews and standardised assessment criteria support objective and unbiased candidate evaluation.

Candidate information is managed with confidentiality throughout the recruitment process, while proactive communication helps create a positive candidate experience. A comprehensive onboarding programme supports new employees in understanding their roles, responsibilities, workplace practices and organisational values, enabling a smooth transition into the Company.



Human Capital (Contd..)

Learning and Development

Building future-ready capabilities remains integral to our people strategy. We seek to equip employees, contractors and consultants with the knowledge, skills and competencies required to perform effectively in an evolving business environment. Our learning ecosystem combines technical, behavioural, leadership and digital learning interventions that support operational excellence, regulatory compliance and professional growth.

Employees are expected to complete a minimum of 24 learning hours annually, encompassing both technical and behavioural development programmes. Learning pathways are aligned with functional requirements as well as broader organisational priorities such as collaboration, leadership and adaptability. Training effectiveness is evaluated through defined outcomes and feedback mechanisms, enabling continuous enhancement of our learning framework.



Building Capabilities Through Structured Training Identification

Our Learning and Development framework is guided by a structured Training Need Identification process that helps align capability-building initiatives with business requirements and emerging industry expectations.

Objectives

- Strengthen role-specific competencies through technical learning, including cGMP and industry-relevant certifications
- Support continuous professional development through structured learning interventions, mentorship and leadership development programmes
- Enhance operational excellence by improving efficiency, quality and innovation across key functions
- Promote employee well-being through programmes focused on stress management, ergonomics and work-life balance

Training Need Identification and Implementation

- Training requirements are assessed annually through a structured process involving leadership team, function heads, line managers & HR
- Learning interventions are aligned with regulatory requirements, safety expectations and technical competency needs
- Continuous Professional Development programmes include certification courses, cross-functional learning opportunities and leadership workshops that support career progression

Monitoring and Continuous Improvement

- Training content and programmes are reviewed periodically to maintain relevance and effectiveness
- Assessments are conducted to identify skill gaps and development opportunities
- Feedback and performance insights are incorporated into programme design and delivery to strengthen learning outcomes

FY 25-26

100% training Coverage on human right issues and policy

203,765 Man-Hours
Training Hours - GMP

28,189 Man-Hours
Training Hours - EHS Trainings

29,812 Man-Hours
Other Trainings (External Technical & Behavioural)

Skill Upgradation Training

Category of Employee	Total No. of Employees	No. of Persons Received Training on Skill Upgradation
<30 Years	2,240	2,024
30–50 Years	1,975	1,791
>50 Years	91	78
Total	**4,306**	**3,893**



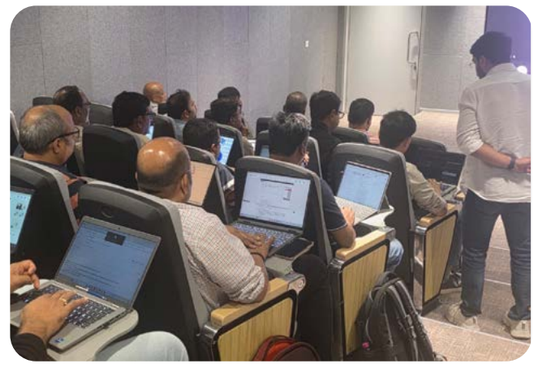
By Gender

Category of Employee	Total No. of Employees	No. of Persons Received Training on Skill Upgradation
Male	3,842	3,465
Female	464	428
Total	**4,306**	**3,893**



By Employment Category

Category of Employee	Total No. of Employees	No. of Persons Received Training on Skill Upgradation
Executives (Above Sr. Executive)	775	701
Workmen (Up to Sr. Executive)	3,531	3,192
Total	**4,306**	**3,893**



Human Capital (Contd..)

Learning Architecture

Our learning and development framework is structured around five capability pillars designed to support professional growth, strengthen functional expertise and prepare employees for evolving business requirements.

Behavioural Excellence

Emotional Intelligence, Strategic Thinking, Time Management, Productivity Improvement and Organisational Skills

Governance and Compliance

Code of Business Conduct, POSH, Insider Trading, Whistleblower Policy, Cyber Security, DPDPA, Standing Orders, Audit Readiness, Legal SOP Awareness and GPTW Insights & Action Planning

Leadership Development

First Time Leader, Leadership Accountability, Strategic Leadership for Exponential Business Growth

Technical and Functional Capability Building

QbD for API Development, Technical Training at ACG Labs, Pharma-Biopharma Bootcamps, Root Cause Analysis, Safety and First Aid

Digital and Future Skills

Copilot, ChatGPT and AI-enabled applications that support productivity, innovation and digital readiness

Case Study

Driving Continuous Learning with LinkedIn Learning

To strengthen our learning ecosystem and encourage self-directed development, we expanded access to LinkedIn Learning across the organisation. The platform provides employees with anytime, anywhere access to curated learning content aligned with identified training needs, enabling individuals to build capabilities across leadership, critical thinking and emerging areas such as artificial intelligence.

Learning pathways are mapped by function and employee grade to enhance relevance and practical application. Participation is further encouraged through a dedicated recognition framework that acknowledges high-performing learners at the leadership level. During FY26, the initiative was extended to Senn Chemicals, supporting broader adoption across the enterprise.

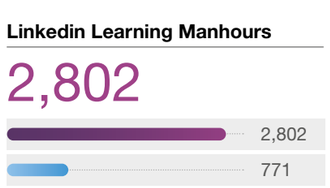
Key initiatives included

- Skill Fix Series
- Learning Thursdays
- Festive Engagement Campaigns (Bingo Series)
- Theme-Based Campaigns on Artificial Intelligence, Copilot and Sustainability

Outcomes and Impact

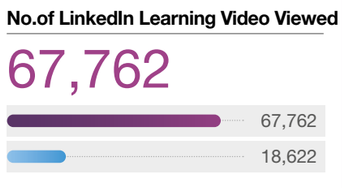
- Strengthened a culture of continuous and compliant learning
- Supported zero audit observations across statutory and internal audits
- Increased adoption of digital learning platforms
- Enhanced workplace awareness and learning participation
- Contributed to achievement of BRSR learning metrics

Linkedin Learning Manhours



263% Rise

No.of LinkedIn Learning Video Viewed



264% Rise

Case Study

Arth Sakhi: Empowering Women Through Financial Literacy

To enhance financial awareness among women employees, we introduced Arth Sakhi, a focused initiative designed to simplify financial concepts and improve financial confidence.

The programme covered savings, investments and financial planning through practical and relatable learning sessions conducted across locations.

Outcomes and Impact

- Improved confidence in managing personal finances
- Enhanced awareness of savings and investment planning
- Supported financial independence and long-term well-being
- Strengthened inclusion through targeted capability-building initiatives



Case Study

First Time Leaders: Building the Next Generation of Leaders

The First Time Leaders programme was designed to equip newly appointed managers with the capabilities required to transition successfully from individual contributors to people leaders.

The immersive three-day programme combined classroom learning, self-assessments, practical assignments and case-based discussions to strengthen leadership effectiveness and managerial confidence.

Results

- Trained more than 170 first-time managers
- Strengthened people management and decision-making capabilities
- Established a structured leadership development pathway

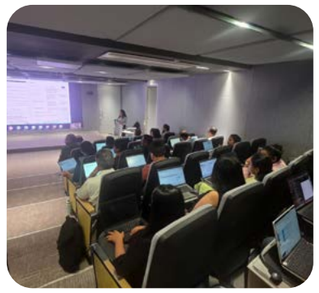


Case Study

Generative AI- Driven Digital Skilling

To accelerate enterprise-wide adoption of Generative AI, Granules implemented a structured capability-building initiative across Granules India Limited (GIL) and Granules Pharmaceuticals, Inc. (GPI). The programme was designed to help employees leverage Microsoft 365 Copilot to enhance content creation, data analysis and workplace communication, enabling greater efficiency and informed decision making.

The initiative was rolled out in phases to support systematic adoption. The first phase comprised dedicated sessions focused on organisation wide awareness, leadership alignment and hands-on training, reaching approximately 2,000 employees. Subsequent phases strengthened practical capabilities among Copilot Pro users, extending focused training to over 150 employees.



Case Study

To encourage sustained adoption, a weekly knowledge series, 'Copilot Byte', was introduced for both Copilot Pro and basic users, featuring practical use cases, prompt recommendations, productivity tips and employee success stories.

Key Outcomes

- Improved productivity through faster content creation, streamlined communication and efficient data processing
- Reduced turnaround time for reports, presentations and approvals across functions
- Enhanced decision-making through quicker analysis of large datasets and business documents
- Improved consistency, quality and audit readiness of business outputs

Organisational Impact

- Strengthened digital capabilities and encouraged an AI-enabled way of working
- Sustained adoption through continuous learning and knowledge sharing initiatives
- Increased self-service capabilities across functions, reducing dependence on specialised resources
- Established a scalable foundation for AI-enabled transformation across geographies

Case Study

Strengthening Audit Readiness through Capability Building

Granules implemented a structured Audit Readiness Training Programme to strengthen compliance awareness and reinforce a quality-focused culture across the organisation. The programme was delivered across three employee groups, including Heads of Departments, Subject Matter Experts and shopfloor employees, combining experiential learning with audit simulations, role-plays and real-time feedback.

Leadership workshops incorporated surprise audit simulations, communication effectiveness, professional etiquette and mock audits to reinforce expected audit behaviours. Shopfloor sessions focused on audit fundamentals, communication, grooming standards and audit best practices through interactive role plays and practical feedback.

Key Highlights

- 15 training sessions conducted
- 904 man-hours equivalent to 113 man-days delivered
- 100% coverage across three employee groups

Capability Development

- Improved audit communication and response readiness
- Strengthened behavioural alignment during audits
- Enhanced leadership role modelling
- Increased confidence and consistency among shopfloor employees

Organisational Impact

- Improved employee preparedness and confidence during audits
- Strengthened compliance and quality culture through a proactive approach
- Enhanced audit consistency across functions
- Received positive feedback from leadership and business stakeholders
- Contributed to improved audit outcomes and greater stakeholder confidence



Case Study

Enhancing Onboarding through an Engagement-Led Approach

Granules strengthened its onboarding framework through a structured, engagement-led induction programme designed to provide new employees with a consistent and meaningful onboarding experience. Conducted through monthly and quarterly induction sessions, the programme integrates business orientation, organisational culture, safety awareness, compliance requirements and leadership interactions to support faster integration into the organisation.

The induction programme covers business performance highlights, recent achievements, safety practices, the Granules Way including mission, vision and values, key organisational policies and interactive learning modules. Leadership interactions, feedback mechanisms and employee surveys further support continuous improvement of the onboarding experience.

Key Highlights

- 15 structured induction sessions conducted across locations
- 1,125 man-hours equivalent to 141 man-days of onboarding delivered
- Standardised onboarding experience implemented across locations
- Positive feedback received from new employees and internal stakeholders
- Consistent communication of organisational culture, compliance expectations and business priorities

Organisational Impact

- Enabled faster integration and greater confidence among new employees
- Strengthened alignment with organisational culture, safety and compliance practices
- Enhanced employee engagement, sense of belonging and leadership connect
- Supported a positive employee experience through a structured and people-focused onboarding process





Human Capital (Contd..)

Performance Management

Our performance management framework is designed to align individual contributions with organisational priorities while supporting continuous development and career progression. Through clearly defined goals, regular performance discussions and structured development planning, we provide employees with clarity on expectations and opportunities to enhance their capabilities.

The framework promotes fairness, transparency and accountability through objective performance evaluations and ongoing feedback. Individual goals are aligned with business and functional priorities, creating a direct connection between employee performance and organisational outcomes.



Continuous Feedback and Development

Regular performance conversations provide opportunities to review achievements, discuss development needs and identify future growth opportunities. Managers and employees work together to establish development plans that strengthen capabilities, support career aspirations and prepare individuals for expanded responsibilities.

Building Future Leaders

Performance outcomes are integrated with talent development and succession planning processes, enabling the identification and development of future leaders. Through targeted learning interventions, leadership programmes and career development opportunities, we seek to build a strong pipeline of talent across the organisation.

Promoting Fairness and Accountability

We maintain a merit-based approach to performance management and uphold a zero-tolerance stance towards discrimination in all performance-related decisions. This approach helps create an environment where performance, capability and potential drive professional growth.

Building an Engaged Workforce

We seek to create a workplace where employees feel connected, valued and empowered to contribute their best. Our employee engagement approach is built on open communication, inclusion and continuous feedback, enabling us to understand employee perspectives and strengthen organisational alignment.

Regular town halls, leadership interactions and engagement surveys provide opportunities for employees to share feedback, raise concerns and contribute ideas. These interactions strengthen transparency, build trust and support responsive decision-making across the organisation.

Employee Perception Survey

Understanding employee experiences is important to creating a workplace where individuals can thrive. During the year, we conducted a comprehensive employee perception survey in partnership with Great Place to Work® India, gaining valuable insights into workplace culture, employee satisfaction and organisational effectiveness.

The survey provided feedback across key dimensions including trust, respect, fairness, pride and camaraderie. Insights from the survey have informed focused action plans aimed at enhancing employee experiences and strengthening workplace culture.

Leadership Connect and Open Communication

We encourage meaningful dialogue across all levels of the organisation through structured communication platforms that provide employees with direct access to leadership and opportunities to share their perspectives.

These platforms include town halls, departmental review meetings, employee-management forums, one-on-one interactions and feedback channels. The insights gathered through these engagements support informed decision-making and help shape workplace practices.

Recognition and Appreciation

Recognising employee contributions plays an important role in strengthening motivation and engagement. Through formal and informal recognition programmes, we celebrate achievements that demonstrate excellence, collaboration, innovation and alignment with organisational values.

Recognition initiatives help create a culture where employees feel appreciated and inspired to perform at their best.

Strengthening Workplace Connections

Employees participated in a variety of cultural celebrations, team-building activities and engagement initiatives throughout the year. These programmes provided opportunities for employees across functions and locations to connect, collaborate and celebrate shared achievements, contributing to a positive workplace environment.

Creating an Inclusive Workplace

Our workforce brings together individuals from diverse backgrounds, experiences and perspectives, creating an environment that encourages innovation, collaboration and shared success. We seek to create a workplace where every individual is treated with dignity and respect and provided equitable opportunities for growth and development.

An inclusive culture enables employees to contribute their unique strengths while supporting organisational effectiveness and long-term business success.

Advancing Gender Diversity

Increasing the participation of women across the organisation remains an important focus area within our people strategy. Through focused hiring, development and retention initiatives, we are creating opportunities for greater representation across functions and levels.

During FY26, women represented 10.8% of employees and 14.1% of the overall workforce, while women held 27% of Board positions, reflecting progress towards our diversity aspirations.

Empowering Women Through Leadership and Growth

We support the advancement of women employees through targeted development initiatives that strengthen leadership capabilities, professional growth and career progression opportunities.

Mentorship programmes connect women employees with experienced leaders, while focused leadership development initiatives help build confidence, decision-making capabilities and professional networks.

Building a Culture of Belonging

Employee support networks and inclusion-focused initiatives provide opportunities for connection, collaboration and shared learning. These platforms help strengthen employee engagement and contribute to a workplace culture built on mutual respect, inclusion and belonging.

Supporting Overall Well-being

Employee well-being encompasses physical, emotional, mental, financial and professional wellness. We seek to create an environment where employees have access to the resources, programmes and support needed to lead healthy and fulfilling lives.

Our well-being approach focuses on preventive care, awareness, support systems and employee assistance initiatives that contribute to overall quality of life and workplace satisfaction.

Physical and Mental Well-being

Throughout the year, employees participated in a range of health and wellness programmes covering preventive healthcare, fitness, nutrition, stress management and mental wellness.

Awareness sessions, health assessments and wellness initiatives help employees make informed lifestyle choices and support long-term well-being.



Human Capital (Contd..)

Financial and Professional Well-being

We support employees through competitive compensation, retirement benefits, insurance coverage and focused financial awareness initiatives. Programmes such as Arth Sakhi further contribute to financial literacy and informed financial decision-making.

Professional well-being is supported through learning opportunities, mentoring, career development initiatives and leadership programmes that enable employees to build skills and pursue long-term career growth.

Employee Benefits and Support

Employees are provided access to a comprehensive benefits framework that supports both employees and their families.

- Medical insurance coverage
- Life insurance benefits
- Disability and invalidity coverage
- Retirement benefits
- Maternity and parental benefits
- Leave provisions
- Employee assistance programmes

Supporting Employees and Families

We recognise the importance of supporting employees beyond the workplace. Family-oriented programmes and benefits help employees balance professional and personal responsibilities while creating a supportive and inclusive work environment.

Through wellness initiatives, healthcare support and family-focused programmes, we seek to enhance employee well-being and contribute positively to the lives of employees and their families.

Strengthening Occupational Health and Safety Excellence

Providing a safe and healthy workplace remains a fundamental priority across our operations. Our Occupational Health and Safety (OH&S) framework is aligned with ISO 45001:2018 and is implemented across all manufacturing facilities at Gagillapur, Jeedimetla, Bonthapally and Visakhapatnam, as well as our R&D locations, ensuring a consistent approach to workplace safety.

Our framework focuses on proactive risk identification, hazard mitigation and continuous monitoring to minimise workplace incidents and protect employee well-being. Through structured safety systems, regular audits, emergency preparedness measures and employee participation, we seek to create workplaces where safety is embedded into everyday operations.

Occupational Health and Medical Surveillance

01 Occupational Health Infrastructure

Employee health is supported through a comprehensive occupational health framework implemented across all locations. Fully equipped Occupational Health Centres are staffed by qualified medical professionals and supported by round-the-clock nursing teams, providing employees with access to timely medical care and emergency support.

02 Preventive Health Monitoring

A structured medical surveillance programme enables proactive monitoring of employee health and occupational risks. Every new employee undergoes a detailed pre-employment medical examination to establish baseline health parameters and assess fitness for assigned roles.

This is followed by annual health assessments for all employees, while individuals working in high-risk areas undergo half-yearly medical examinations to facilitate closer monitoring and early identification of occupational health concerns. These assessments support informed decisions relating to job rotation, workplace controls and preventive healthcare measures.

03 Promoting Employee Well-being

Occupational Health Centres also promote preventive healthcare through health awareness programmes, counselling support and early diagnosis initiatives. All medical records are maintained with strict confidentiality and managed through secure systems accessible only to authorised medical professionals.

Risk Identification and Prevention

Systematic Risk Assessment

A systematic approach is followed to identify, assess and manage workplace hazards across operations. Regular internal risk assessments and Hazard and Operability (HAZOP) studies help identify potential risks and strengthen process safety across facilities.

Independent third-party experts conduct specialised assessments, including fire safety audits and electrical safety reviews, providing additional assurance regarding workplace safety practices and controls.

Process Safety and Operational Controls

Process hazard analyses further evaluate potential incident scenarios and the effectiveness of existing safeguards.

For high-risk activities, permit-to-work systems are implemented to ensure tasks are carried out under controlled conditions and in accordance with defined safety requirements. Personal Protective Equipment (PPE) requirements are mapped to specific job roles and workplace conditions, ensuring employees are provided with appropriate protection.

Industrial Hygiene and Workplace Monitoring

Safety communication is strengthened through multilingual visual displays and awareness materials, while industrial hygiene assessments help evaluate exposure to factors such as noise, dust and odours and support the implementation of suitable control measures.

Building a Culture of Safety

Worker Participation and Ownership

Safety is embedded into daily operations through active workforce participation, structured training programmes and robust reporting mechanisms. Employees and contract workers are encouraged to report hazards, unsafe conditions and near-miss incidents, supporting a proactive and preventive approach to workplace safety.

Worker participation is strengthened through dedicated safety committees that include significant employee representation. These committees contribute to safety planning, risk reviews and corrective action implementation, helping ensure that safety measures remain practical, inclusive and effective.

Safety Governance and Oversight

All incidents are documented, investigated and analysed to identify root causes and implement preventive actions. Learnings from these assessments are integrated into operational practices to strengthen overall safety performance.

Safety governance is further strengthened through regular Apex Committee reviews that evaluate safety observations, audit findings and key site-level concerns, enabling timely interventions and consistent monitoring across locations.

Preparedness and Capability Building

Regular safety audits, inspections and emergency preparedness exercises are conducted across sites. Mock drills covering fire emergencies, leak containment, evacuation procedures and alarm response help strengthen preparedness and ensure employees are equipped to respond effectively during emergencies.

Safety awareness is enhanced through ongoing training programmes covering hazard identification, emergency response, chemical handling and the correct use of personal protective equipment.

Contract Worker Safety

Dedicated contractor safety initiatives support familiarisation with site-specific hazards and operating procedures. Assigning workers to designated operational zones over sustained periods enhances awareness, compliance and overall safety performance.

Human Capital (Contd..)

Safety Performance	Unit	FY 25-26
Reportable Incidents -Employees	No's	0
Reportable Incidents -Workers	No's	0
Lost Time Injury Frequency Rate for Employees (LTIFR) (per one million-person hours worked)	LTI-FR	0
Lost Time Injury Frequency Rate for Workers (LTIFR) (per one million-person hours worked)	LTI-FR	0
Total recordable work-related injuries -Employees	No's	6
Total recordable work-related injuries -Workers	No's	3
High consequence work-related injury or ill-health -Employees (excluding fatalities)	No's	0
High consequence work-related injury or ill-health -Workers (excluding fatalities)	No's	0
No. of fatalities -Employees	No's	0
No. of fatalities -Workers	No's	0
Man Hours Worked - Employees	Man-Hours	95,33,484
Man Hours Worked - Workers	Man-Hours	72,82,845
Man days Lost for Employees	Man-Days	0
Man days Lost for Workers	Man-Days	0
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
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

Strengthening Safety Outcomes Through Consistent Performance

Our safety performance reflects the effectiveness of our OH&S framework and the collective efforts of employees and workers across all operations.

During FY26, we achieved a significant milestone with zero reportable incidents, zero lost time injuries and zero fatalities for both employees and workers. Lost Time Injury Frequency Rates (LTIFR) and Lost Time Injury Severity Rates (LTI-SR) reduced to zero, reflecting the impact of proactive risk management, strengthened controls and greater workplace awareness.

While total recordable injuries showed variability in earlier years, FY26 witnessed a substantial decline, particularly among workers, reflecting stronger controls, enhanced safety awareness and targeted interventions across sites.

Despite an increase in total man-hours worked across operations, safety outcomes improved significantly, demonstrating the effectiveness of our safety systems, training programmes and preventive measures. These achievements support our long-term aspiration of creating a zero-harm workplace.

Key Safety performance highlights

- **16.82 Million** man hours Worked
- **Zero** Reportable incidents
- **65% Reduction** in record-able incidents
- **28,189 Hrs** of Safety Trainings

Case Study

Turning Data into Action: Safety Risk Intelligence Dashboard (SRID)

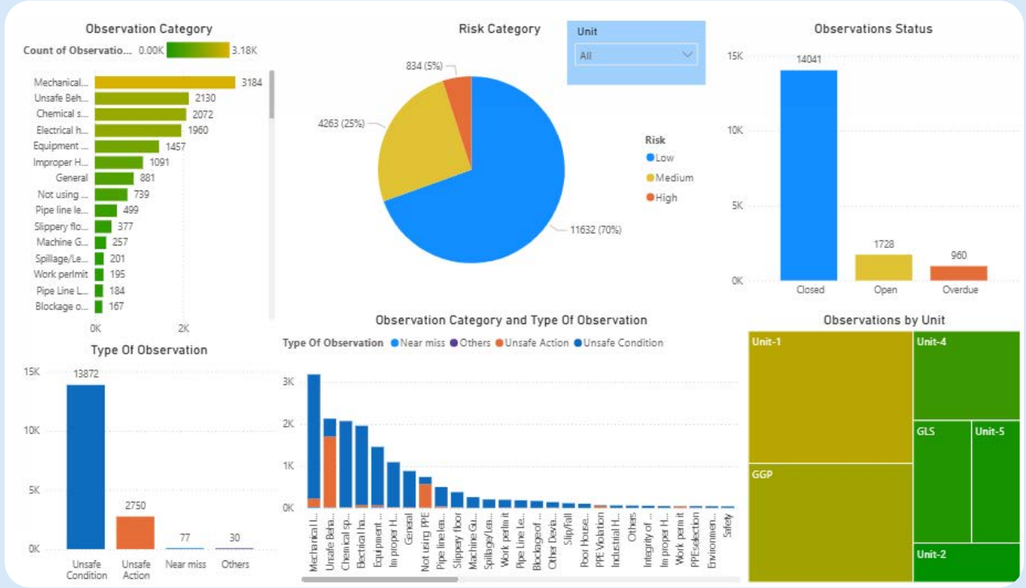
To strengthen proactive risk management and elevate safety performance across operations, we implemented the Safety Risk Intelligence Dashboard (SRID), a digital platform that converts safety observations into real-time actionable insights.

At the centre of the platform is a dynamic Safety Heat Map that enables leadership teams to visualise safety trends, compare performance across locations and identify emerging risks before they escalate.

The dashboard captures observations across categories including electrical safety, mechanical integrity, chemical handling, PPE compliance, housekeeping and pipeline leakages. Observations are classified according to risk severity, enabling teams to prioritise actions and allocate resources effectively.

A key strength of the platform lies in its ability to identify recurring safety hotspots and support targeted interventions. Integrated Corrective and Preventive Action (CAPA) tracking further strengthens accountability and ensures timely closure of actions.

By providing real-time visibility into safety performance, SRID supports a shift from reactive incident management towards predictive risk intelligence and preventive intervention.



Specimen Dashboard - SRID

Best Practices in Safety Excellence



Fire Safety and Lockout-Tagout (LOTO)

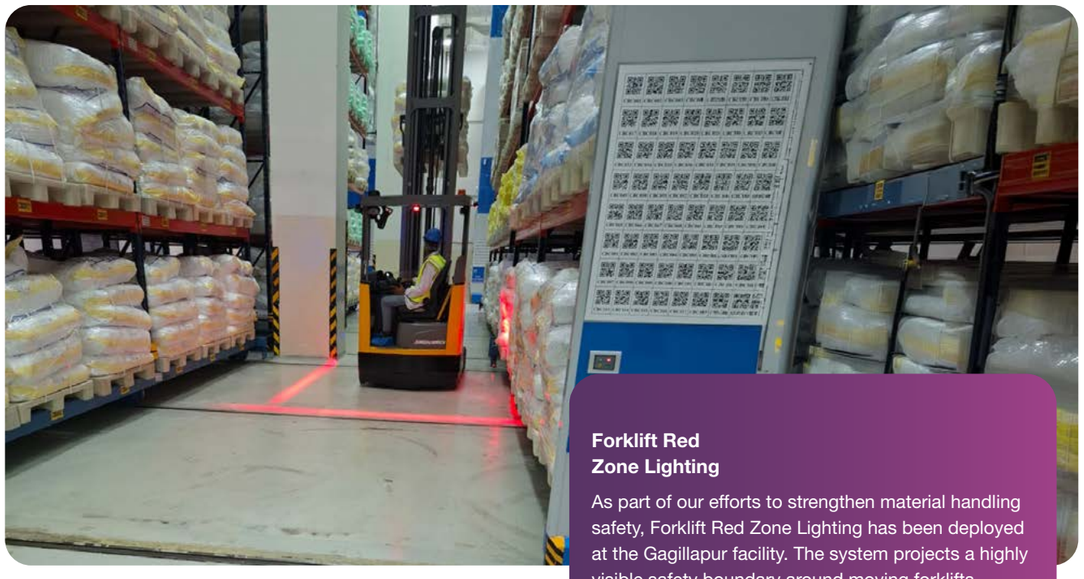
Live demonstration-based training programmes on Fire Safety and Lockout-Tagout (LOTO) strengthen employee preparedness and operational safety. Dedicated display boards showcase fire safety systems, emergency response tools, hydrant networks and detection systems, while LOTO practices ensure safe isolation of equipment during maintenance activities.





Advanced Fire Protection for HSD and FO Tanks

Advanced foam sprinkler systems have been installed for High-Speed Diesel (HSD) and Furnace Oil (FO) storage tanks. These systems provide rapid fire suppression through automatic activation and comprehensive area coverage, strengthening protection of high-risk storage areas and supporting effective emergency response.



Forklift Red Zone Lighting

As part of our efforts to strengthen material handling safety, Forklift Red Zone Lighting has been deployed at the Gagillapur facility. The system projects a highly visible safety boundary around moving forklifts, helping reduce collisions, improve situational awareness and enhance pedestrian safety.

Upholding Human Rights and Ethical Integrity

Respect for human rights is embedded across our operations and business practices. We uphold fundamental rights, including the right to life, liberty, dignity and freedom of expression, while maintaining compliance with applicable employment and immigration regulations.

We maintain a zero-tolerance approach towards child labour, forced labour and all forms of exploitation. A robust whistleblower mechanism and vigilance framework enable employees and stakeholders to report concerns confidentially and without fear of retaliation. Regular awareness initiatives help reinforce ethical conduct and accountability across the workforce.

Our commitment extends beyond internal operations, with human rights expectations integrated into supplier and partner contracts to promote responsible and ethical practices throughout the value chain.

Embedding Human Rights into Everyday Operations

Human rights principles are integrated into operational and business decision-making processes. We promote a diverse and inclusive workplace free from discrimination and uphold labour rights through fair wages, regulated working hours and responsible employment practices.

Employee health and safety, environmental responsibility, freedom of association and ethical business conduct form important elements of our human rights approach. Accessible reporting mechanisms enable stakeholders to raise concerns confidentially, while regular training and awareness initiatives strengthen understanding and compliance across the organisation.





Social and Relationship Capital

Strong relationships with suppliers, communities, institutions and implementation partners enable us to create value that extends beyond our operations. Through responsible sourcing practices, supplier engagement initiatives and community development programmes, we seek to strengthen trust, enhance resilience across our value chain and contribute to inclusive and sustainable growth. By advancing ethical business conduct, expanding access to opportunities and supporting social well-being, we create meaningful outcomes for stakeholders while reinforcing the foundations of long-term value creation.

Strategic Priorities	Our Approach	Value Created in FY26
Strengthen responsible and sustainable supply chains	Embed ESG principles through supplier engagement, governance frameworks, assessments and capacity-building initiatives	Engaged 68+ priority suppliers representing ~85% of procurement spend and communicated the Code of Business Conduct to 100% of suppliers
Enhance supplier sustainability performance	Promote continuous improvement through sustainability assessments, training programmes and performance monitoring	100% suppliers conducted human rights training, 89% have ESG policies and 75% have sustainability ambitions including Net Zero and SBTi commitments
Advance livelihoods and employability	Create pathways to sustainable employment through industry-aligned skill development initiatives	1,600+ youth trained through Pharma Pathashala since inception, supporting employability and livelihood opportunities
Improve community health and well-being	Support preventive healthcare, nutrition assistance and specialised healthcare interventions	Reached 15,000+ beneficiaries through breast health awareness, screening programmes and eye health initiatives
Expand access to education and opportunity	Strengthen educational outcomes through scholarships, infrastructure support and academic partnerships	2,000+ students benefited through educational support initiatives and partnerships
Foster community resilience and environmental stewardship	Promote environmental awareness, afforestation and community participation initiatives	1,00,000+ lives positively impacted, 18,000+ native trees planted and 1,00,000+ participants engaged through the Green Heartfulness Run

SDGs Impacted



Social and Relationship Capital (Contd..)

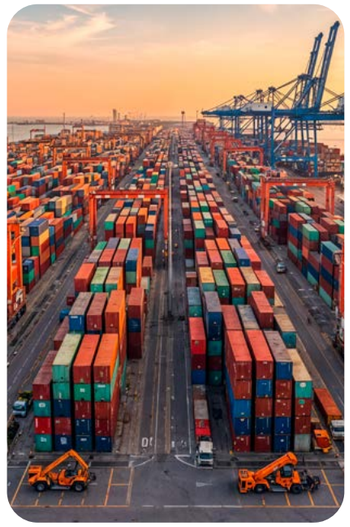
Strengthening Responsible Partnerships Across the Value Chain

At Granules, we recognise that our responsibility towards sustainability extends beyond our operations to encompass our value chain. Our Supplier Sustainability Programme reflects this commitment by promoting environmental stewardship, social responsibility and ethical business practices across our supplier network.

We work proactively with a broad and diverse supplier ecosystem to strengthen supply chain resilience, mitigate potential risks and maintain access to critical materials and products. Through structured engagement, assessments and collaborative initiatives, we encourage suppliers to align with responsible business practices while supporting shared sustainability goals.

All suppliers are required to adhere to our Supplier Code of Business Conduct, which outlines expectations related to product quality, business ethics, environmental responsibility, labour practices and human rights. Regular assessments and surveys are conducted to evaluate supplier performance and strengthen accountability across the value chain.

As part of our Scope 3 decarbonisation strategy and Supplier Sustainability Programme, we have identified a priority group of more than 68 suppliers that account for approximately 85% of our spend on purchased goods and services, representing a significant share of our upstream emissions footprint. We are actively engaging with these suppliers through targeted initiatives designed to support emissions reduction and sustainability improvements.



Our Sustainable Supply Chain Framework

Responsible Sourcing

Promoting ethical procurement practices, transparency and accountability across supplier relationships while embedding responsible business conduct throughout the value chain.

Climate Action

Partnering with suppliers to reduce emissions, improve resource efficiency and support value chain decarbonisation through measurable environmental action.

Human Rights and Well-being

Encouraging safe workplaces, fair labour practices and respect for internationally recognised human rights standards across supplier operations.

Collaborative Growth

Building long term partnerships through engagement, capability building and continuous improvement initiatives that create shared value.

CDP Supplier Engagement Assessment 2025

Granules has been placed on the CDP Supplier Engagement Assessment A List for 2025, reflecting its leadership in supplier engagement and the strength of its sustainability focused supplier management practices.

The recognition highlights our efforts to strengthen climate governance, improve transparency and work collaboratively with suppliers to address environmental impacts across the value chain.

CDP evaluates organisations across the following dimensions:

- Climate governance
- Supplier engagement
- Scope 3 emissions management
- Value chain collaboration
- Climate related target setting

Key Pillars of our Supplier Sustainability Programme

01

Supplier Code of Business Conduct

We have established a comprehensive Supplier Code of Business Conduct that outlines expectations related to environmental, social and ethical performance. The Code is embedded within supplier agreements, reinforcing our approach to responsible sourcing and sustainable supply chain management.

Focus Areas

- Business ethics
- Labour and human rights
- Health and safety
- Environment and sustainability

02

Risk Assessment and Prioritisation

Regular supplier assessments help identify potential risks based on location, product category and historical performance. Suppliers identified as high risk receive enhanced monitoring and engagement.

03

Performance Measurement and Monitoring

Structured mechanisms are implemented to evaluate supplier sustainability performance and monitor progress.

- Supplier sustainability surveys
- ESG questionnaires
- Independent third party assessments
- Monitoring of environmental and workforce related indicators

Key performance areas include

- Scope 1, Scope 2 and Scope 3 emissions
- Water consumption
- Waste management
- Human rights performance
- Certifications and compliance

04

Capacity Building and Collaboration

We support suppliers through

- Sustainability training programmes
- Awareness workshops
- Best practice sharing forums
- Knowledge exchange platforms
- Collaborative sustainability initiatives



Social and Relationship Capital (Contd..)

05

Supplier Performance Improvement

We work closely with suppliers to identify performance gaps and develop corrective action plans. Progress is monitored regularly to support continual improvement and strengthen supplier sustainability performance over time.

Supplier Sustainability Performance

- **100%** Suppliers have conducted awareness and training programmes on human rights issues
- **89%** Suppliers have policies and governance frameworks covering sustainability, water, waste, human rights and business ethics
- **76%** Suppliers have established targets relating to emissions, waste, water and renewable energy
- **75%** Suppliers hold certifications such as ISO 14001 and ISO 45001
- **73%** Suppliers have EcoVadis certification
- **75%** Suppliers have sustainability ambitions including Net Zero targets and SBTi commitments

Supplier Code of Business Conduct

The Supplier Code of Business Conduct forms the foundation of our responsible sourcing framework and applies to suppliers, contractors, service providers and business partners.

The Code establishes expectations relating to ethical conduct, labour practices, environmental stewardship and governance standards.



Core Principles

Business Ethics
Suppliers are expected to conduct business with integrity, transparency and fairness. Bribery, corruption, fraud and unethical conduct are strictly prohibited.

Human Rights and Labour Practices
Suppliers are expected to respect internationally recognised human rights principles and maintain zero tolerance towards child labour, forced labour and discrimination.

Health and Safety
Suppliers are expected to provide safe and healthy working environments and comply with applicable occupational health and safety requirements.

Environmental Responsibility
Suppliers are expected to minimise environmental impacts, manage resources responsibly and comply with environmental regulations.

Information Security and Data Privacy
Suppliers are expected to maintain appropriate information security controls and comply with applicable privacy requirements.

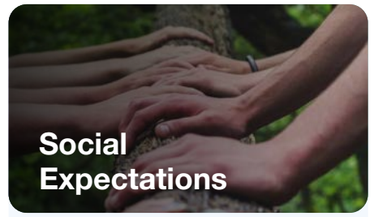
Legal Compliance
Suppliers must comply with all applicable laws and regulations in the jurisdictions where they operate.

Transparency and Reporting
Suppliers are expected to maintain accurate records and support transparency across ESG disclosures and reporting.

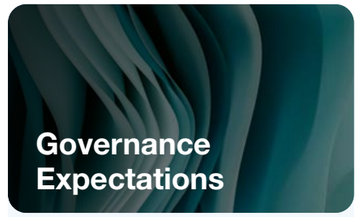
ESG Expectations from Suppliers



- Disclose Scope 1, Scope 2 and Scope 3 GHG emissions linked to Granules operations by end 2027
- Submit science based targets to SBTi by 2027
- Provide Product Carbon Footprint data for key products
- Transition to 100% renewable electricity within five years



- 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



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

Supplier ESG Governance and Engagement

Code of Business Conduct Communication

100% of our value chain partners and suppliers have been formally communicated with our Code of Business Conduct.

Supplier Engagement on COBC

Approximately 90% of our value chain partners have been actively engaged on Code of Business Conduct requirements.

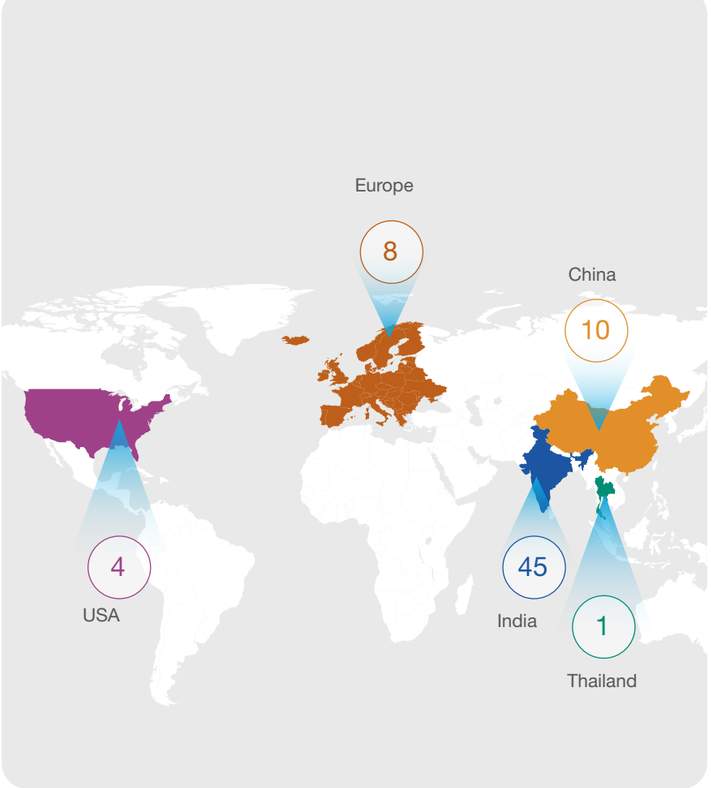
Vendor Management System

A structured Vendor Management System is in place to support supplier evaluations and includes a CSR questionnaire covering key ESG parameters.

Supplier Assessments

100% of key suppliers covering APIs, KSMs, excipients, intermediates, packaging materials and other raw materials representing approximately 90% of procurement value are periodically assessed in line with SOP GIL-CQA-008.

Geographical Spread of our Suppliers



Social and Relationship Capital (Contd..)

Supplier Sustainability in Action

As part of our Supplier Sustainability Programme, we prioritise suppliers representing approximately 80% of our spend on purchased goods and services.

Supplier engagement activities include sustainability surveys, awareness programmes, governance reviews and climate related discussions to strengthen ESG performance across the value chain.

- Supplier Identification
- ↓
- Supplier Communication
- ↓
- Sustainability Survey
- ↓
- ESG Assessment
- ↓
- Capacity Building
- ↓
- Performance Improvement

Tackling Carbon Emissions in the Value Chain

As part of our Scope 3 decarbonisation strategy, supplier engagement remains a key lever in reducing upstream emissions and advancing responsible sourcing practices.

01
Supplier Sustainability Programme

We prioritise suppliers representing approximately 80% of purchased goods and services spend and engage them on sustainability disclosures, emissions management and climate related actions.

02
Carbon Footprint Disclosure

Suppliers are encouraged to disclose Scope 1, Scope 2 and Scope 3 emissions associated with products and services supplied to Granules.

03
Science Based Targets

Suppliers are encouraged to establish science based targets and develop emissions reduction roadmaps aligned with global climate ambitions.

04
Product Carbon Footprint

Suppliers are encouraged to provide Product Carbon Footprint data for key products to strengthen emissions transparency.

05
Renewable Energy Adoption

Suppliers are encouraged to increase renewable energy sourcing and strengthen low carbon manufacturing practices.

Supplier Sustainability Progress

Initiative

November 2024	Progress	Target
Acknowledgement of receipt of Supplier Code of Conduct and sustainability programme expectations	100%	100%
Participation in the Supplier Sustainability Survey by sharing goals and targets	82%	>95%
Supplier engagement meetings (On Track)	95%	>90%
Quarterly progress review meetings and technical support sessions (On Track)	95%	>90%

Success Stories and Industry Recognition

CDP Supplier Engagement Assessment 2025

Granules has been placed on the A List in the 2025 CDP Supplier Engagement Assessment, reflecting its leadership in supplier engagement and the strength of its sustainability focused supplier management practices.

Sedex Supplier Plus

Granules has been recognised with Sedex Supplier Plus, reflecting the strength of its Supplier Sustainability Programme and its proactive approach to responsible sourcing and ethical compliance.

Haleon's Winning Together – Supplier Summit 2026

Granules was honoured with the Sustainability Award at Haleon's Winning Together – Supplier Summit 2026.

This recognition reflects the Company's measurable progress in reducing its environmental footprint and advancing sustainable growth.

Over the past year, Granules achieved a 30% reduction in API carbon footprint through initiatives including the transition to renewable electricity and the replacement of fossil fuels with biomass. The Company also successfully delivered Haleon's second Product Carbon Footprint assessment supported by verified primary data, reinforcing the credibility of its sustainability efforts.



Social and Relationship Capital (Contd..)

Supplier Compliance Audit Network (SCAN)

Granules' Gagillapur unit successfully completed the Supplier Compliance Audit Network (SCAN) assessment, a globally recognised supply chain security audit framework, achieving a score of 97%. The assessment follows a standardised, C TPAT aligned methodology, verifying compliance with global supply chain security requirements through rigorous evidence based on site assessments.

The SCAN audit evaluates manufacturing facilities, warehouses and logistics operations across key areas including physical security, access controls, personnel security, cargo handling, information security and threat awareness. It also enables participating organisations to share audit results among member companies, reducing duplicate customer audits, minimising audit fatigue, enhancing supply chain transparency and supporting continuous improvement across the value chain.



GSK Water Stewardship Program

Granules' Gagillapur and Bonthapally units were awarded 'Green' Status by GSK under its Water Stewardship Program, recognising their performance in water management practices and responsible water stewardship.

Key assessment parameters included

- Water performance monitoring and ESG disclosures
- Water quality management and regulatory compliance
- WASH (Water, Sanitation and Hygiene) practices
- Water conservation and efficiency initiatives
- Water recycling, reuse and wastewater management
- Water governance and compliance
- Rainwater harvesting and stormwater management
- Water risk assessment and climate resilience
- Watershed replenishment and community water stewardship roadmap

GREEN STATUS ACHIEVEMENT

Recognition For Our Water Stewardship Journey By GSK

Pharmaceutical Supply Chain Initiative (PSCI)



Granules remains engaged with industry initiatives that promote responsible supply chain management, sustainability and collaboration across the pharmaceutical sector.

The Granules team participated in the PSCI India Conference 2025, held under the theme "Building Resilient Value Chains Through Collaborative Leadership in India." The team engaged with key customers to understand evolving expectations on EHS and sustainability while exchanging perspectives on challenges and opportunities for collaboration.

Srinivasu Metlapalli, Vice President – EHS and Sustainability, delivered a technical session on wastewater treatment technologies and presented a case study on the application of an advanced oxidation process for effective colour removal.



Community Welfare

Together for Stronger Communities

At Granules, we believe meaningful progress begins with people. Every individual deserves the opportunity to learn, stay healthy, earn a livelihood and pursue a better future, regardless of their circumstances.

Guided by this belief, our CSR initiatives are shaped through stakeholder engagement, thoughtful planning and continuous evaluation to address community needs across healthcare, education, livelihoods, environmental stewardship and community well-being.

Before launching programmes, we engage with communities, government institutions and implementation partners to understand local priorities and identify opportunities where our support can create meaningful impact. Regular interactions, beneficiary feedback and periodic assessments help ensure our interventions remain inclusive, relevant and responsive to evolving community needs.

As we work towards positively impacting one million lives by 2030, we monitor social and environmental outcomes to create lasting benefits for people, communities and the environment.

Our Goal

Touch 1 Million

Lives by 2030

Our Progress

3.5+ lakhs

Lives positively touched



Skill Development

1,600+

Individuals trained through Pharma Patashala since its inception in 2017.

Health

15,000+

Beneficiaries reached through Breast Cancer Screening Camps, awareness sessions and eye screening programmes for school children.

Education

2,000+

Students benefited through Vidya Volunteers and educational support initiatives implemented through NGO partnerships.

Environment and Biodiversity

18,000+

Native trees planted.

1,00,000+

Participants engaged through the fourth edition of the Granules Green Heartfulness Run.

CSR Needs Assessment Framework

01 Introduction

Granules follows a structured CSR needs assessment process to identify community priorities and design relevant interventions.

02 Assessment Components

Internal Assessment

- **CSR Priorities**
  Healthcare, education, livelihoods, environment and community welfare.
- **Business Alignment**
  Programmes aligned with community needs around operating locations.
- **Programme Planning**
  Selection based on long term social impact.

External Assessment

- **Stakeholder Engagement**
  Communities, government institutions, NGOs and implementation partners.
- **Community Need Assessment**
  Healthcare, education, livelihoods, environment and basic community needs.
- **Regulatory Alignment**
  CSR activities aligned with Schedule VII of the Companies Act, 2013.

03 Assessment Process

Data Collection

- Community consultations
- Stakeholder interactions
- Beneficiary feedback
- Programme reviews
- Independent assessments

Analysis Framework

- **Need Prioritisation**
  Based on urgency, relevance and impact.
- **Impact Assessment**
  Periodic monitoring, beneficiary feedback and outcome evaluation.

04 Focus Areas for Granules India Limited

Healthcare

- Pharma Pathashala
- Breast Health Express
- Avoidable Blindness Free Schools
- TB Nutritional Support Programme
- Children's Cardiac Care Support
- Blood Donation Camp

Education

- Education Kit Distribution
- Mid Day Meals
- Vidya Volunteers
- Government BC Welfare Hostel Transformation
- Project Alambana
- Granules Vidya Scholarships
- Chair Professorship in Process Automation
- Centre of Excellence – NIPER Mohali
- Ekalavya Grameena Vikas Foundation

Environment

- Granules Green Heartfulness Run
- Eco Friendly Clay Ganesha Initiative

Community Development

- Drinking Water Support
- Support for Adventure Sports
- GOAT Tour
- Examthon Run
- Hyderabad Literary Festival

05 Implementation

CSR programmes are implemented through NGO and government partnerships, supported by regular monitoring and stakeholder feedback.

06 Conclusion

Granules' CSR needs assessment framework enables relevant, need based interventions that create measurable social impact.

Our Initiatives

Skill Development

Pharma Pathashala is a flagship skill development initiative of Granules India, implemented in partnership with Swarna Bharathi Trust. The programme was established to support young people from underserved communities who often face financial barriers, limited access to quality vocational training and uncertainty in transitioning from education to employment. By combining technical learning, workplace readiness and mentorship, the initiative helps participants build confidence, strengthen employability and pursue sustainable livelihood opportunities, creating pathways towards greater economic independence and social mobility.

Granules Pharma Pathashala

Geography

Telangana and Andhra Pradesh

Community Need/Root Cause

Many young people from underserved communities face financial constraints and limited access to quality vocational training, making the transition from education to sustainable employment challenging.

Intervention Approach

Through Pharma Pathashala, we provide industry-aligned technical training, workplace readiness programmes and mentorship to equip youth with the skills and confidence needed to pursue meaningful careers.

Beneficiaries Reached

1600+ Youth

Impact Created

Enhanced employability through skill development, creating livelihood opportunities that help strengthen household incomes.

Rebuilding Stability Through Opportunity

Korukonda Dharani Supriya



When her father suffered a brain stroke, Korukonda Dharani Supriya's family faced significant financial hardship. With her mother taking up tailoring work and the family relying partly on farming for income, continuing her education became increasingly challenging despite her strong academic performance. After completing her intermediate studies with 87%, she was introduced to Pharma Pathashala by her village head. Determined to support her family and build financial independence, Supriya embraced the opportunity to gain practical skills and create a more secure future.

A Deliberate Step Towards Becoming Better

Polaki Chiranjeevi



For Polaki Chiranjeevi, family responsibilities took precedence over educational ambitions. Following intermediate studies, he spent two years working at a tattoo shop to support his family while his mother underwent prolonged medical treatment. Introduced to Pharma Pathashala through a friend working at Granules India, he recognised an opportunity to build a stronger future. The programme equipped him with valuable skills and renewed confidence, enabling him to pursue long-term career prospects while continuing to support his family.

Health and well being

Access to quality healthcare remains a significant challenge for many underserved communities, where financial constraints, limited awareness and gaps in healthcare infrastructure often delay diagnosis and treatment. Through targeted interventions spanning preventive healthcare, specialised medical support, nutrition assistance and community health initiatives, Granules seeks to improve access to essential healthcare services and promote better health outcomes for vulnerable populations.



Breast Health Express

Community Need/Root Cause

Limited awareness of breast cancer, inadequate access to timely screening services and delayed diagnosis often reduce the chances of early detection, particularly among women in underserved communities.

Intervention Approach

Deployed the Breast Health Express mobile screening unit to conduct breast cancer screening camps and awareness sessions, improving access to early detection services and educating women on breast health and preventive care.

Beneficiaries Reached

3,600+ Women

Geography

Telangana

Impact Created

Improved awareness of breast health, expanded access to early screening services and enabled timely identification of potential cases, contributing to better health outcomes through preventive care.



Avoidable Blindness - Free Schools

Community Need/Root Cause

Undiagnosed vision impairments can affect children's learning experience, participation in school activities and overall development.

Intervention Approach

Conducted comprehensive eye screening programmes across government schools to identify vision-related concerns and facilitate timely intervention.

Beneficiaries Reached

2,900+ Students

Geography

Gummadidala Mandal, Telangana

Impact Created

Supported early detection of vision-related issues and improved access to corrective care, helping students participate more effectively in their education.



TB Nutritional Support Programme

Community Need/Root Cause

Tuberculosis patients from economically vulnerable households often struggle to access adequate nutrition, which is essential for recovery and treatment adherence.

Intervention Approach

Supported the Pradhan Mantri TB Mukt Bharat Abhiyan through the distribution of nutritional kits to supplement dietary requirements during treatment.

Beneficiaries Reached

1,030+ Patients

Impact Created

Distributed 6,180 nutritional kits, supporting patient well-being and strengthening adherence to treatment during the recovery journey.

Geography

Bhadradri Kothagudem District

Children's Cardiac Care Support

Community Need/Root Cause

Children from low-income families often face significant barriers in accessing specialised cardiac treatment due to the high cost of medical care.

Intervention Approach

Partnered with Hrudaya – Cure a Little Heart Foundation to support life-saving cardiac interventions and specialised treatment for children with congenital and acquired heart conditions.

Impact Created

Enabled access to critical medical care, helping children receive timely treatment and improving their prospects for healthier lives.

Geography

Andhra Pradesh and Telangana

Blood Donation Camp

Community Need/Root Cause

Access to safe and adequate blood supplies remains essential for emergency care, surgeries and critical medical treatments. Blood shortages can affect the timely delivery of healthcare services to patients in need.

Intervention Approach

Organised a voluntary blood donation camp, encouraging employees and community members to contribute towards strengthening local blood reserves.

Beneficiaries Reached

250+ Patients

Impact Created

Collected 150 units of blood, supporting healthcare institutions in meeting patient needs and enhancing access to timely medical care.

Geography

Gagillapur, Telangana

Education

Education has the power to transform lives, yet many children and young adults continue to face barriers that limit their ability to learn, grow and realise their potential. Through investments in educational infrastructure, scholarships, inclusive learning, academic support, school nutrition programmes that enhance learning outcomes and research, Granules seeks to create opportunities that enable learners from diverse backgrounds to access quality education, build confidence and pursue brighter futures.



Education Kit Distribution

Community Need/Root Cause

Children with disabilities may face barriers in accessing educational resources that support effective learning and participation.

Intervention Approach

Distributed educational kits comprising school bags and learning materials to support the academic needs of students with disabilities.

Beneficiaries Reached

300+ Students

Impact Created

Improved access to essential learning resources and supported more inclusive educational opportunities.

Geography

Andhra Pradesh & Telangana



Mid Day Meals

Community Need/Root Cause

Many school children from underserved communities lack access to nutritious meals, affecting their health, attendance and ability to learn effectively.

Intervention Approach

In collaboration with Akshaya Patra, supported the provision of nutritious midday meals for students at ZP High School to improve nutrition and encourage regular school attendance.

Beneficiaries Reached

300+ Students

Impact Created

Enhanced access to nutritious meals, supporting better health, improved learning outcomes and regular school attendance.

Geography

Jinnaram, Telangana



Vidya Volunteers

Community Need/Root Cause

Ensuring uninterrupted learning and personalised academic support is essential to help students achieve better educational outcomes.

Intervention Approach

Appointed Vidya Volunteers in government schools to bridge teaching staff gaps and provide sustained academic support to students.

Beneficiaries Reached

600+ Students

Impact Created

Strengthened classroom learning by improving access to quality education and enhancing learning outcomes for participating students.

Geography

Bonthapally, Telangana



Government BC Welfare Hostel Transformation

Community Need/Root Cause

Students residing in welfare hostels often face challenges arising from inadequate residential infrastructure and limited access to a conducive learning environment.

Intervention Approach

Renovated hostel facilities, including boarding and kitchen infrastructure, and distributed educational kits to support students' learning needs.

Beneficiaries Reached

100+ Students

Impact Created

Improved living and learning conditions, creating a more conducive environment for students' education and well-being.

Geography

Parawada, Andhra Pradesh



Project Alambana

Community Need/Root Cause

Children from vulnerable households often face educational and nutritional challenges that can affect their development and learning outcomes.

Intervention Approach

Supported education and nutrition initiatives to help children continue their academic journey in a healthy and supportive environment.

Beneficiaries Reached

40+ Students

Impact Created

Strengthened access to education and nutrition, supporting the overall development and well-being of participating children.

Geography

Khammam District, Telangana



Granules Vidya Scholarships

Community Need/Root Cause

Financial limitations often restrict access to quality coaching, study resources and mentorship required for competitive examinations.

Intervention Approach

Provided scholarships, study materials and mentorship support to aspiring civil service candidates from underserved backgrounds.

Beneficiaries Reached

20+ Students

Impact Created

Enabled deserving students to access quality preparation resources and pursue opportunities in public service.

Geography

Andhra Pradesh and Telangana



Chair Professorship in Process Automation

Community Need/Root Cause

Advancing scientific research and technological innovation requires sustained academic support, specialised expertise and access to high-quality research opportunities.

Intervention Approach

Supported the establishment of the Dr. Krishna Prasad Chigurupati Chair Professorship in Process Automation to promote advanced research and knowledge creation.

Impact Created

Strengthened research capabilities and created opportunities for innovation, learning and academic excellence in process automation.

Geography

IIT Hyderabad



Centre of Excellence – NIPER Mohali

Community Need/Root Cause

Continued progress in pharmaceutical science requires collaborative research, innovation and access to advanced scientific infrastructure.

Intervention Approach

Supported the establishment of a Centre of Excellence focused on innovative and sustainable pharmaceutical development.

Impact Created

Enhanced research and innovation capabilities while supporting the development of future scientific talent and sustainable pharmaceutical solutions.

Geography

SAS Mohali, Punjab



Ekalavya Grameena Vikas Foundation

Community Need/Root Cause

Students from underprivileged rural communities often face barriers to accessing quality education, limiting their academic progress and future opportunities.

Intervention Approach

In collaboration with Ekalavya Grameena Vikas Foundation (EGVF), supported educational initiatives for underprivileged students through supplementary education, career guidance, and exposure to modern educational pathways, enabling continuity in their academic journey.

Beneficiaries Reached

20+

Impact Created

Improved access to quality education and learning opportunities for students from economically disadvantaged rural communities, supporting their academic development and future aspirations.

Geography

Telangana

Arts and Culture

Arts, literature and cultural expression have the power to inspire curiosity and strengthen connections within communities. They create spaces where ideas can be shared, stories can be celebrated and individuals can engage with diverse viewpoints. Through its support for cultural initiatives, Granules seeks to nurture learning, encourage meaningful dialogue and contribute to a more vibrant and inclusive society.

Supported Hyderabad Literary Festival

Community Need/Root Cause

Creating opportunities for people to engage with literature, ideas and cultural experiences helps foster learning, creativity and community connection.

Intervention Approach

Extended sponsorship support to the Hyderabad Literary Festival, contributing to the promotion of literature, arts and cultural dialogue.

Impact Created

Supported a platform that brought together authors, thinkers and readers, encouraging knowledge-sharing, cultural engagement and the exchange of diverse perspectives.

Geography

Hyderabad, Telangana

Environment

Environmental responsibility begins with everyday actions. Through awareness campaigns, community engagement programmes and sustainability-focused initiatives, Granules works alongside communities to promote environmentally conscious practices and encourage greater participation in protecting and preserving the natural environment.

Granules Green Heartfulness Run

Community Need/Root Cause

Greater community participation can help build awareness and encourage collective action towards environmental conservation.

Intervention Approach

Supported the Green Heartfulness Run and associated plantation initiatives to promote environmental awareness, health and community engagement.

Beneficiaries Reached

1,00,000+ Participants

Impact Created

Encouraged community participation, promoted environmental consciousness and contributed to afforestation efforts through the plantation.

Geography

Hyderabad, Telangana



Eco-Friendly Clay Ganesha Initiative

Community Need/Root Cause

Use of non-biodegradable idols can impact water quality during immersion.

Intervention Approach

Distributed eco-friendly clay Ganesha idols and promoted environmentally responsible celebration practices among employees and local communities.

Beneficiaries Reached

6,000+

Impact Created

Encouraged sustainable practices and raised awareness regarding environmentally responsible festivities.

Geography

Hyderabad, Telangana



Promotion of Sports

Access to sports and fitness opportunities can play an important role in shaping confident, motivated and well-rounded individuals. Through its support for sporting initiatives, Granules seeks to promote physical well-being, encourage youth participation and create opportunities for individuals to realise their potential.



Support for Adventure Sports

Community Need/Root Cause

Talented athletes pursuing specialised sporting disciplines often face resource and financial constraints that can limit access to training and competitive opportunities.

Intervention Approach

Supported a young mountaineer in his expedition to Mount Reo Purgyil (6,816 meters), enabling him to pursue the expedition.

Impact Created

Encouraged emerging sporting talent and supported the pursuit of excellence in adventure sports.

Geography

Telangana

Social and Relationship Capital (Contd..)

GOAT Tour

Community Need/Root Cause

Young people benefit from positive role models and platforms that inspire confidence and participation in sports and physical activity.

Intervention Approach

Supported the GOAT Tour of Lionel Messi to promote sports participation, fitness and youth engagement.

Impact Created

Encouraged active lifestyles and inspired young people through the values of sportsmanship, discipline and determination.

Geography

Hyderabad, Telangana

Examthon Run

Community Need/Root Cause

Beyond academic achievement, students benefit from opportunities that encourage healthy lifestyles and holistic development.

Intervention Approach

Supported the Examthon Run, combining physical fitness with messages of perseverance, confidence and academic excellence.

Beneficiaries Reached

5,000+

Impact Created

Promoted physical well-being, positive mindsets and holistic development among students and young participants.

Geography

Hyderabad, Telangana

Drinking Water and Sanitation

Safe drinking water is one of the most basic human necessities, yet ensuring its availability during large gatherings can be challenging. Through its support for drinking water initiatives, Granules seeks to address this need by helping communities access clean drinking water, contributing to their health, comfort and overall well-being.

Drinking Water Support

Community Need/Root Cause

Large public gatherings create a significant demand for safe and easily accessible drinking water to support public health and well-being.

Intervention Approach

Supported drinking water distribution ensuring the availability of safe drinking water.

4 Lakhs
Water Bottles Distributed

Impact Created

Enhanced access to safe drinking water, supporting public health and community well-being.

Geography

Tirupati

Our Valued CSR Partners

Government of Telangana
Rose Charitable Trust – Umbrella for the Unprivileged – Empowering Through Education
AIG Hospitals
Akshaya Pātra – Unlimited food for education
Government of Andhra Pradesh
Swarna Bharat Trust, Vankatachalam
Indian Institute of Technology Hyderabad
Ekalavya Grameena Vikas Foundation
NIPER Hyderabad – S.A.S. Nagar
Asian Medical Foundation
UC Breast Foundation
Forests by heartfulness



Natural Capital

At Granules India, sustainability is embedded in the way we operate, innovate and create long-term value. Guided by our purpose of healing lives responsibly through pioneering green science, we remain focused on reducing our environmental footprint while advancing more sustainable manufacturing practices. Our approach centres on responsible resource stewardship, climate action and circularity, enabling us to create positive outcomes for both people and the planet.

Natural capital is a core pillar of our sustainability strategy, shaping the way we manage greenhouse gas (GHG) emissions, energy consumption, water resources, waste, and climate-related risks. Through a holistic and data-driven approach, we focus on lowering emissions through energy optimisation, process efficiencies, and the increasing adoption of cleaner energy sources. Our water stewardship initiatives emphasise responsible water management, enhanced recycling, conservation, and long-term water security across operations. We also promote circular economy principles through waste reduction at source, resource recovery, and minimisation of landfill dependency. In parallel, we integrate climate risk assessment and resilience planning into our business processes to address the evolving impacts of climate change. Through these integrated efforts, we remain committed to safeguarding natural ecosystems, optimising resource efficiency, and delivering long-term environmental and business value.

Strategic Priorities	Our Approach	Value Created in FY26
Climate action and decarbonisation	Reduce emissions through energy efficiency and low carbon operations	**45.7% absolute reduction** in Scope 1 and Scope 2 emissions from the FY23 baseline
Renewable energy transition	Increase renewable energy sourcing through PPAs, rooftop solar and I-RECs	**98% of electricity consumption** sourced from renewable energy and **37% of total energy** consumption from renewable sources
Water stewardship	Enhance water efficiency, recycling and watershed management	**39% of wastewater recycled** and two facilities recognised as **Water Neutrality Aspiring Plants**
Circular economy	Increase waste recovery and landfill diversion across operations	**93.2% of waste diverted from landfill** and **83% of hazardous waste safely co processed**
Net Zero readiness	Align climate strategy with science based targets and long term decarbonisation goals	SBTi validated targets and a **Net Zero commitment by 2050** aligned with the **1.5°C pathway**
Environmental disclosure and performance	Strengthen transparency through global sustainability assessments and disclosures	Achieved **CDP Climate Change A** List recognition and first time **B** and **B-** ratings for Water Security and Forests

SDGs Impacted



Granules Achieves EcoVadis Gold Rating

Granules achieved a

Gold Rating

in the EcoVadis Sustainability Assessment, placing the Company in the

97th percentile globally

and among the

top 5% of participating companies worldwide

for sustainability performance.



Key Highlights from the EcoVadis Rating

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

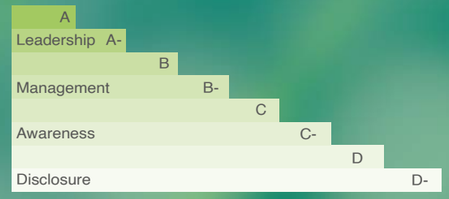
Granules Achieves 'A' Rating in 2025 CDP Climate Change Assessment

CDP is a globally recognised environmental disclosure framework that enables organisations to measure, manage and disclose their performance across climate change, water security and forest coverage.

Understanding CDP Ratings

CDP ratings range from **Disclosure (D/D-)** and **Awareness (C/C-)** to **Management (B/B-)** and **Leadership (A/A-)**, reflecting the maturity of an organisation's environmental practices and disclosure practices.

CDP SCORING BREAKDOWN



In 2025, Granules earned a place on the **CDP Climate Change A List**, achieving the highest level of recognition for environmental leadership and advancing from a **B rating** in the previous year. This milestone reflects our consistent progression across the last three assessment cycles, moving from **C to B and now to A**. In our inaugural disclosures, we also received a **B** rating for **Water Security** and **B-** for **Forests**.



Climate change | A
Water Security | B
Forests | B-

Key Highlights from the CDP Assessment

- Governance
- Risks and Opportunities
- Business Strategy and Financial Planning
- Targets and Performance
- Emissions Methodology
- Emissions Data
- Energy
- Additional Metrics
- Verification and Assurance
- Engagement

Our Sustainability Goals and Targets



Mid-term to Long-term Targets

- Achieve Net Zero emissions by 2050, aligned with the 1.5°C temperature goal under the Science Based Targets initiative (SBTi)
- Reduce Scope 1 and Scope 2 emissions by 42% by FY30 from the FY23 baseline
- Reduce Scope 3 emissions by 42% by FY30 from the 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 Q2 FY 27 for Andra Pradesh Units
- Achieve 30% biofuel usage in boiler operations across units
- Divert 90% waste from landfills across all operations
- Implementation of water offset programs such as lake rejuvenation, check dams, and community watershed projects as part of the Water Neutrality Roadmap for the GGP and BPL units.

Climate and Environment

Our approach to climate stewardship is centred on reducing greenhouse gas (GHG) emissions through energy efficiency, cleaner energy adoption and value chain decarbonisation. Guided by a structured transition roadmap, we are advancing actions across Scope 1, Scope 2 and Scope 3 emissions to advance our sustainability commitments and support a resilient, low-carbon future.

Climate Action Transition Plan

Scope 1

Reducing Direct Emissions

We are improving energy efficiency across manufacturing operations through process optimisation, lower-carbon fuels and targeted emission reduction initiatives.

Scope 2

Addressing Indirect Emissions

We are increasing the use of renewable energy through captive power arrangements and renewable electricity procurement to reduce emissions from purchased power.

Scope 3

Driving Value Chain Decarbonisation

We are engaging suppliers, advancing green chemistry practices and developing lower-impact technologies to reduce emissions across our value chain and support broader industry decarbonisation efforts.



Granules India's Net Zero Commitment and Emissions Reduction Goals

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

Near-Term Targets
Reduce absolute Scope 1, 2 and 3 emissions by 42% by FY30 from the FY23 baseline and transition to 100% renewable electricity by FY30.

Long-Term Goals
Achieve a 90% reduction in Scope 1, 2 and 3 emissions by FY50.

Science-Based Targets initiative (SBTi) Validation

Granules India received validation from SBTi for its near- and long-term greenhouse gas emissions reduction targets, aligned with the 1.5°C pathway. This milestone affirms the credibility of our decarbonisation roadmap and reinforces our commitment to delivering measurable climate action across our operations and supply chain.

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 preindustrial levels. SBTi provides clear, science-aligned pathways to help companies translate climate ambitions into actionable plans.

Natural Capital (Contd..)

Climate Action Enablers

Focus Area	Our Approach
Supplier Sustainability Programme	Engaging suppliers to measure, manage and reduce emissions across the value chain, while embedding sustainability considerations into procurement and sourcing decisions.
Green Molecules	Developing next-generation green molecules through Granules CZRO, supported by a dedicated greenfield facility designed to reduce lifecycle emissions and resource intensity.
Green Chemistry and Process Efficiency	Advancing cleaner manufacturing through bio-catalysis, flow chemistry, enzyme-based transformations and process optimisation to improve resource efficiency.
Sustainable Formulation Development	Designing formulations using lower-impact processes, water-saving technologies and environmentally preferable excipients to reduce environmental footprint.
Building a Culture for Climate Action	Strengthening employee awareness through engagement initiatives, sustainable mobility programmes and workplace climate action practices.
Green Infrastructure	Developing energy-efficient facilities with renewable energy integration, water conservation systems, rainwater harvesting and responsible construction practices.

GHG Emissions

As a pharmaceutical company dedicated to improving health outcomes worldwide, we recognise the importance of reducing emissions across every stage of the product lifecycle without compromising quality, accessibility or affordability. From raw material procurement and manufacturing to logistics, packaging and end-of-life management, each phase presents opportunities to enhance environmental performance and operational efficiency.

At Granules, greenhouse gas (GHG) inventorisation has evolved into a critical strategic capability, providing the insights needed to identify reduction opportunities, guide informed decision-making and advance our long-term net-zero aspirations in line with internationally recognised climate goals.

Our Goal

Achieve Net Zero Emissions by FY50

Our Progress

45.7% Absolute Reduction
in Scope 1 and Scope 2 (market-based) GHG emissions from the FY23 baseline

46.4% Reduction in GHG Emissions Intensity
(Scope 1 and Scope 2, market-based) compared to the FY23 baseline

Our Pathway to Decarbonisation

We follow the GHG Protocol Corporate Accounting and Reporting Standard to measure and report emissions across our operations and value chain, ensuring consistency, transparency and alignment with internationally recognised methodologies. Using the operational control approach, we account for emissions from facilities and activities where we have the authority to drive environmental and operational improvements.

Since commencing Scope 1 and Scope 2 accounting in FY21, we have progressively enhanced our emissions management framework through stronger data collection processes, improved accuracy and more rigorous internal controls. In FY23, we expanded our emissions inventory to include Scope 3 emissions across 11 relevant categories, providing a more comprehensive understanding of emission sources beyond our direct operations. This expanded coverage has strengthened decision-making, improved emissions visibility and enabled a more targeted approach to identifying reduction opportunities. FY23 remains our baseline year for tracking progress against our climate goals and SBTi-aligned targets.

GHG Emissions Profile

Our emissions profile provides a detailed view of the sources contributing to our overall GHG footprint and helps prioritise areas for action. Scope 3 emissions account for approximately 90% of our total emissions, driven primarily by purchased goods and services, transportation activities and downstream processing initiatives. Ongoing supplier engagement, improved data quality and methodological refinements have contributed to more robust reporting across these categories.

Scope 1 emissions represent 9.6% of total emissions and arise primarily from fuel consumption and process-related activities within our operations. Scope 2 emissions account for 0.2% of total emissions and are associated with purchased electricity consumption. These insights reinforce the importance of addressing emissions across the entire emissions landscape, enabling a more informed and effective approach to long-term emissions management.

GHG Emissions (tCO_2e) by Scope (FY 25-26)



Scope	FY 25-26
Scope-1	59,851
Scope-2 (Market based)	1,285
Scope-3	5,60,293
Total emissions	**6,21,429**

All values are in tCO_2e

GHG Emissions (tCO_2e) by year and Scope

	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23
	6,21,429	5,44,329	7,21,723	7,26,684

Scope	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Scope 1	56,265	56,254	57,414	59,851
Scope 2 – Market based	56,306	31,632	18,853	1,285
Scope 3	6,14,113	6,33,837	4,68,062	5,60,293

GHG Intensity (S1+S2), tCO_2e/MT of Production

1.06 — **46%** decrease Performance

FY 2025-26	1.06
FY 2024-25	1.53
FY 2023-24	1.45
FY 2022-23	1.98

GHG Intensity (S1+S2+S3), tCO_2e/MT of Production

10.77 — **16%** decrease Performance

FY 2025-26	10.77
FY 2024-25	10.87
FY 2023-24	11.90
FY 2022-23	12.77

GHG Intensity (S3), tCO_2e/MT of Production

9.71 — **10%** decrease Performance

FY 2025-26	9.71
FY 2024-25	9.35
FY 2023-24	10.45
FY 2022-23	10.79

Natural Capital (Contd..)

GHG Emissions by Scope and Category:

Scope	Emission category	Total Emissions (tCO_2e)
Scope-1	Direct emissions from sources owned or controlled by the company	59,851
Scope-2 (location-based)	Indirect emissions from the generation of purchased energy	64,967
Scope-2 (market- based)	Indirect emissions from the generation of purchased energy	1,285
Scope -1 + 2 total (market based)		61,136
Scope-3	Category 1 – Purchased Goods & Services	4,29,284
	Category 2 – Capital Goods	4,018
	Category 3 – Fuel & Energy related activities	29,733
	Category 4 – Upstream transportation & Distribution	6,844
	Category 5 – Waste Generated from Operations	849
	Category 6 – Business Travel	664
	Category 7 – Employee Commuting	1,323
	Category 8 – Upstream Leased Assets	253
	Category 9 – Downstream transportation and Distribution	48,342
	Category 10 – Processing of Sold Products	36,547
	Category 11 – Use of Sold Products	-
	Category 12 – End of Life Treatment of Sold Products	2,436
	Category 13 – Downstream Leased Assets	-
	Category 14 – Franchises	-
	Category 15 - Investments	-
Scope 3 Total		5,60,293
Total emissions – Scope 1, Scope 2 (Market based) & Scope 3		**6,21,429**

GHG Emission (Scope 1 + Scope 2) by Location

Unit & Location	Scope-1	Scope-2 (Market-Based)	Scope-1+2 (Market Based)
FD Unit - Gagillapur	15052.1	447.9	15499.9
API Unit -I, Bonthapally	32067.4	408.3	32475.8
API Unit -II, Jeedimetla	1080.5	38.1	1118.6
API Unit -III, Bonthapally	846.8	9.8	856.5
API Unit -IV, Parawada	2514.4	111.7	2626.2
API Unit -V, Parawada	8227.8	120.9	8348.6
Corporate office	0.0	47.5	47.5
R&D - Pragathi Nagar (RC1)	5.3	6.7	12.0
R&D - Pragathi Nagar (RC2)	3.3	9.6	12.9
R&D - Genome Valley	0.0	80.4	80.4
R&D - Pune	53.3	4.4	57.7
Total	**59851**	**1285**	**61136**

Scope 3 Emissions

Indirect emissions associated with our upstream and downstream activities represent the largest share of our carbon footprint, accounting for approximately 90% of total emissions. Of the 15 Scope 3 categories defined under the GHG Protocol, we have identified 11 categories as relevant to our operations and are included within our reporting boundary.

A closer analysis of these categories highlights a concentration of emissions within a small number of activities. **Purchased Goods and Services (Category 1), Downstream Transportation and Distribution (Category 9)** and **Processing of Sold Products (Category 10)** represent the most prominent sources of emissions.

Purchased Goods and Services account for approximately 77% of our total Scope 3 emissions, reflecting the carbon intensity associated with raw material and input procurement. Meanwhile, Processing of Sold Products, Fuel and Energy Related Activities, and Downstream Transportation and Distribution collectively contribute around 21% of Scope 3 emissions, underscoring the importance of addressing emissions beyond our direct operational boundary.

Deep Dive into our top 20 RM's and their carbon footprint

RM 1	**1,23,883**
RM 2	**71,265**
RM 3	**45,732**
RM 4	**41,577**
RM 5	**18,576**
RM 6	**17,719**
RM 7	**6,878**
RM 8	**6,258**
RM 9	**5,216**
RM 10	**3,683**
RM 11	**3,299**
RM 12	**3,058**
RM 13	**2,396**
RM 14	**958**
RM 15	**624**
RM 16	**457**
RM 17	**285**
RM 18	**202**
RM 19	**187**
RM 20	**182**

All values are in tCO_2e

152.5 tCo_2e

Biogenic emissions from our operations

Natural Capital (Contd..)

Scope 3 – analysis by category

Emission category	Emissions (in tco_2e)	Percentage
Category 1 - Purchased Goods & Services	4,29,284	76.62%
Category 2 - Capital Goods	4,018	0.72%
Category 3 - Fuel & Energy related activities	29,733	5.31%
Category 4 -Upstream Transportation & Distribution	6,844	1.22%
Category 5 - Waste generated from operations	849	0.15%
Category 6 - Business Travel	664	0.12%
Category 7 - employee commuting	1,323	0.24%
Category 8 - Upstream leased assets	253	0.05%
Category 9 - Downstream Transportation & Distribution	48,342	8.63%
Category 10 - Processing of sold products	36,547	6.52%
Category 11 - Use of sold products	Not Relevant	Not Relevant
Category 12 - End of life treatment of sold products	2,436	0.43%
Category 13 - Downstream leased assets	Not Relevant	Not Relevant
Category 14 - Franchises	Not Relevant	Not Relevant
Category 15 - Investments	Not Relevant	Not Relevant
Scope-3 emissions (Total)	**5,60,293**	

Life Cycle Assessment

Granules uses Life Cycle Assessment (LCA) to evaluate the environmental impacts of its products across their life cycle, from raw material extraction and transportation to manufacturing and processing. By providing a comprehensive understanding of resource consumption and environmental interactions, LCA helps identify significant impact areas, quantify environmental burdens, and support data-driven decisions to enhance product sustainability.

During the year, the Company conducted LCA and Product Carbon Footprint (PCF) studies for three key API products—Paracetamol, Guaifenesin, and Metformin—through an independent external agency using specialized LCA modelling software. The assessments were carried out using a cradle-to-gate approach in accordance with ISO 14040 and ISO 14044 (Life Cycle Assessment) and ISO 14067 (Product Carbon Footprint) standards.

The studies evaluated 13 environmental impact categories, including climate change, acidification, eutrophication, and ecotoxicity, providing valuable insights into product-level environmental performance. The assessments considered relevant life cycle stages within the defined system boundaries and utilized a combination of primary operational data and secondary life cycle inventory datasets sourced from recognized databases.

The findings help quantify environmental impacts across the product life cycle, identify environmental hotspots, and support informed decision-making for sustainability improvement initiatives. Detailed technical reports have been prepared and are maintained by the Company for internal reference, customer requirements, and stakeholder engagement.

≈65%

Of products conducted for LCA/ PCF studies of total Turnover contributed

Reducing GHG Emissions through Operational Improvements

During FY26, we implemented a series of initiatives aimed at enhancing energy performance, optimising processes and increasing the use of renewable power across our facilities. These efforts delivered measurable reductions in energy consumption and greenhouse gas emissions while improving operational effectiveness.

Energy efficiency measures included the replacement of conventional AHU motors with EC+ blowers, induction sealing fans with BLDC fans and the installation of energy-efficient air compressors, resulting in energy savings of 14,56,484 kWh. Additional gains of 7,60,290 kWh were achieved through process enhancement initiatives such as chiller and RT pump interlocks, compressed air pressure optimisation and the installation of temperature controllers.

We also expanded renewable energy generation through the installation of rooftop solar panels at the MUPS block in Gagillapur, generating 1,203 MWh of solar power. Complementary initiatives, including auto tube cleaning systems for chillers, automatic capacitor banks and energy-efficient lighting solutions, contributed to improved facility performance and resource utilisation. In addition, progress was achieved through the purchase of 80,000 MWh of Renewable Energy Certificates and the procurement of 7,286 MWh of renewable electricity under Power Purchase Agreements. Together, these measures helped avoid 61,973 tCO_2e of emissions. Collectively, these initiatives resulted in annual energy savings of 23,09,552 kWh and annual GHG emission reductions of 64,467 tCO_2e.

In FY26, we successfully avoided over 64,467 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.

Site-Level Performance



Gagillapur Unit

The Gagillapur facility played a key role in advancing site-level resource performance through a combination of renewable energy deployment and equipment modernisation initiatives. Key initiatives included rooftop solar generation, renewable electricity procurement through PPAs, installation of energy-efficient EC+ blowers, deployment of high-efficiency air compressors and compressed air optimisation. Collectively, these measures delivered energy savings of 15,48,078 kWh and reduced emissions by 6,984 tCO_2e of emissions during the year.



Bonthapally Unit

At Bonthapally, efforts were directed towards improving utility reliability and enhancing process effectiveness across critical operations. Initiatives included the replacement of AHU blowers, chiller and RT pump interlocking, temperature controller installation, air compressor upgrades and refrigeration system enhancements. Together, these measures generated energy savings of 758,830 kWh and reduced emissions by 538.7 tCO_2e.

Ozone Depleting Substances

We remain focused on minimising the use of ozone-depleting substances across our cooling and air-conditioning systems through the phased transition to more environmentally responsible refrigerants. In alignment with the objectives of the Montreal Protocol, R-22 refrigerants are being replaced with alternatives such as R-134A and R-410, which have lower ozone depletion potential. During FY26, ozone-depleting substance emissions were limited to 0.007 MT in CFC-11 equivalent, reflecting our ongoing efforts to modernise refrigeration systems and reduce impacts on the atmosphere.

TCFD Core Pillars and Our Progress

Governance

- Our sustainability governance framework provides structured oversight of climate-related risks and opportunities.
- A three-tier governance structure supports effective climate oversight, comprising the Board Sustainability and CSR Committee, a management-level implementation team and plant-level teams responsible for execution and monitoring.

Risk Management

- Climate-related risks are integrated into our Enterprise Risk Management (ERM) framework, enabling systematic identification, assessment and mitigation of climate and ESG risks.
- We have aligned our climate risk assessment approach with TCFD recommendations and undertake periodic risk mapping exercises through internal risk committees.
- During the year, we initiated a comprehensive assessment of climate and water-related risks using the TCFD framework.

Strategy

- Our climate strategy is anchored by our commitment to achieve net zero emissions by 2050.
- We have assessed both physical and transition climate risks across our operations in line with TCFD recommendations.
- Climate scenario analysis has been undertaken across manufacturing facilities using IPCC pathways, including RCP 4.5 and RCP 8.5, to evaluate potential climate impacts and strengthen resilience planning.
- Investments in our greenfield facility and Granules CZRO support the development of environmentally responsible products and lower-carbon manufacturing pathways.

Metrics and Targets

- We track climate-related risks and opportunities through defined targets and performance indicators.
- Our Climate Action Transition Plan outlines initiatives focused on green molecules, green chemistry and sustainable manufacturing practices to strengthen climate resilience.
- The Granules Climate Commitment establishes clear goals for emissions reduction, renewable energy adoption and enhanced climate transparency across Scope 1, Scope 2 and Scope 3 emissions.

Our Focus

As climate-related challenges become increasingly complex, we are enhancing our risk assessment and monitoring capabilities to strengthen organisational preparedness and support effective decision-making. Our efforts are focused on evaluating climate risks and opportunities across multiple scenarios, including business-as-usual, transition and net-zero pathways. We are also broadening the scope of our analysis across supplier networks to gain deeper insights into potential business continuity impacts and emerging areas of strategic importance.

Air Emissions

We recognise that managing air emissions is particularly critical in the pharmaceutical sector, where complex chemical processes can contribute to volatile organic compounds (VOCs), particulate matter, and combustion-related emissions. We have established a comprehensive emission control framework across our facilities, supported by advanced pollution abatement technologies and rigorous monitoring mechanisms. Key interventions include the deployment of scrubbers, condensers, and bag filters, along with continuous emission monitoring systems (CEMS) that provide real-time visibility into emission performance. In addition, process optimisation and solvent recovery initiatives have helped minimise fugitive emissions and improve overall environmental performance. These measures support cleaner operations and help maintain high standards of environmental management across our manufacturing network.

Driving Measurable Improvements in Performance

FY26 marked notable progress in reducing key air pollutants across our facilities. **NOx emissions** decreased from 59.5 MT to 45.7 MT, reflecting improvements in combustion systems and thermal process management. A sharp decline in **SOx emissions**, from 175 MT to 84.65 MT, highlights the impact of cleaner fuel adoption and effective operation of flue gas treatment systems such as scrubbers.

Further, **particulate matter (PM)** emissions reduced substantially from 72.34 MT to 42.46 MT, driven by enhanced performance of particulate control equipment, including bag filters, as well as tighter management of process-related emissions sources. The sustained reduction across these key pollutants demonstrates the effectiveness of our pollution control measures, technology enhancements and monitoring systems in delivering cleaner manufacturing operations.



Parameter	Emissions (MT)
NOx	45.70
SOx	84.65
Particulate matter (PM)	42.46

Energy Management

In FY26, we accelerated our transition towards cleaner energy sources, increasing renewable energy consumption to **366.30 TJ**, compared to **213.24 TJ** in FY25. Renewable energy accounted for **37% of our total energy mix**, up from **24.2%** in the previous year, reflecting our continued investments in renewable energy procurement and infrastructure.

During the year, **98% of the electricity consumed across our operations was sourced from renewable energy sources**, supported by a combination of power purchase agreements (PPAs), onsite solar generation and International Renewable Energy Certificates (I-RECs). To support this transition, we procured **80,000 MWh of renewable electricity through I-RECs and sourced 7,286 MWh of renewable power through PPAs** at our Gagillapur facility.

These initiatives contributed to a substantial shift in our energy composition, reducing the share of non-renewable energy to **63%** and enhancing the proportion of cleaner energy sources within our operational energy requirements.

Our Goal

Achieve 100% renewable electricity sourcing by FY30

Our Progress

98%
of electricity consumption sourced from renewable energy

37%
of total energy consumption derived from renewable sources

1 MW
onsite rooftop solar capacity at Gagillapur

Driving Energy Efficiency across Operations

Our initiatives to enhance energy productivity delivered measurable operational, environmental and financial benefits during FY 25-26. Through a combination of technology upgrades, process enhancements, renewable power sourcing and onsite generation, we achieved annual energy savings of 2.31 million kWh, avoided 64,467 tCO_2e emissions and generated cost savings of approximately ₹176.4 lakhs.

The Gagillapur facility was a major contributor, supported by rooftop solar generation, renewable power sourcing, equipment modernisation and compressed air system improvements. These initiatives delivered energy savings of 1.55 million kWh, avoided 6,984 tCO_2e emissions and generated annual savings of ₹111.6 lakhs.

At Bonthapally, targeted interventions across HVAC systems and utilities resulted in energy savings of 758,830 kWh, avoided 538.7 tCO_2e and generated annual savings of ₹64.6 lakhs.

At Parawada Unit IV, measures including energy-efficient lighting, BLDC fan motors and power factor optimisation delivered energy savings of 2,644 kWh and avoided 2 tCO_2e emissions.

Energy Performance:

Energy consumption in TJ

990.1

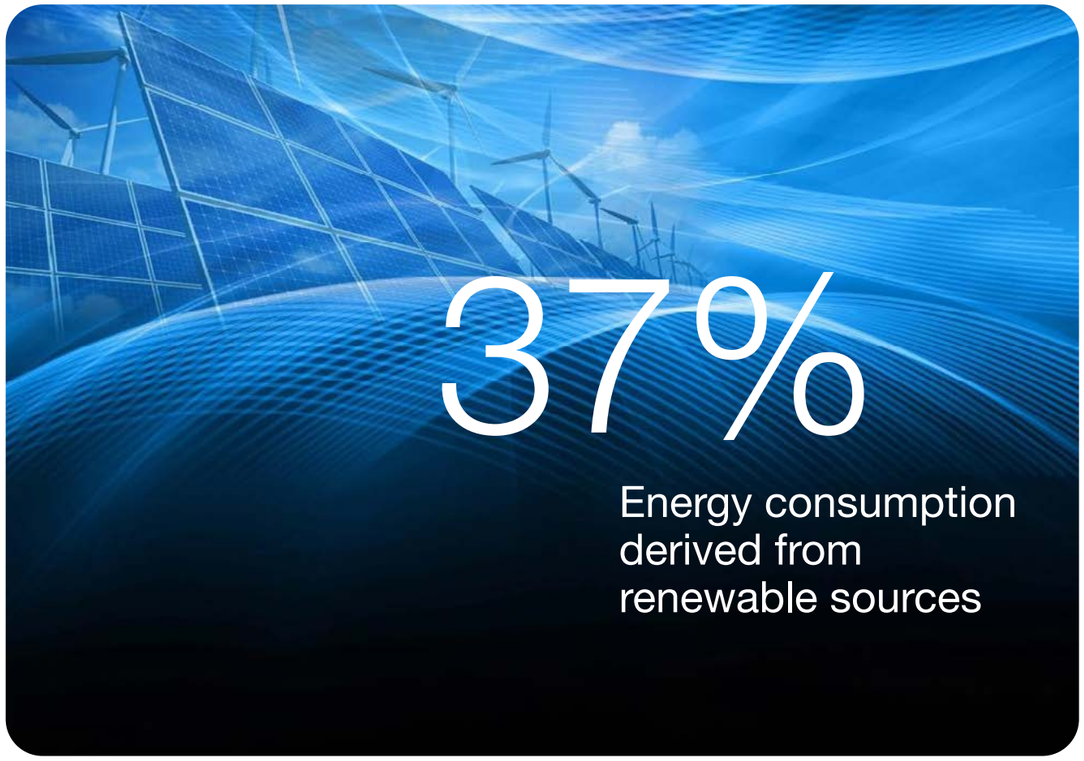
FY 2025-26	990.1
FY 2024-25	881.1
FY 2023-24	875.9
FY 2022-23	869.7

Energy Intensity MJ/MT of Production

17.159

FY 2025-26	17.159
FY 2024-25	17.595
FY 2023-24	14.448
FY 2022-23	15.283

Energy	Unit	FY 2025-26
Total Electricity consumption	MWh	90,299
Electricity from Renewables Sources (PPA + On site + I-RECs)	MWh	88,489
% of Renewables Energy share of consumed Electricity	%	98
Fuel Consumption		
Coal Consumption	MT	23,539
Bio fuel	MT	3,510
HSD Consumption	KL	453
Furnace Oil Consumption	KL	73.23
Petrol Consumption	KL	2.93
Energy from Electricity Consumption	TJ	325.1
Energy from Fuels Consumption	TJ	665.02
Total Energy in TJ	TJ	990.10
Energy Intensity – TJ/Production	TJ/MT	0.0172



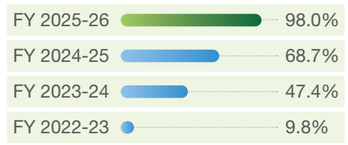
Natural Capital (Contd..)

Strengthening the Shift towards Renewable Energy

FY26 marked a notable transformation in electricity sourcing patterns, with renewable electricity consumption increasing from 56,803 MWh to 88,489 MWh. Consequently, renewable sources accounted for 98% of total electricity consumption, compared to 68.7% in FY25, demonstrating the growing role of renewable power within our operations.

Renewable Electricity:

98.0



Total electricity consumption increased from 82,735 MWh to 90,299 MWh during the year, reflecting higher levels of operational activity. The majority of this additional demand was met through renewable sources. Overall energy consumption increased to 990.10 TJ from 881.1 TJ in line with higher operational activity, energy intensity improved marginally from 0.0176 TJ/MT to 0.0172 TJ/MT, indicating greater efficiency in energy utilisation relative to production output.

Across fuel sources, coal consumption increased moderately, HSD consumption declined, while furnace oil and petrol usage recorded marginal increases during the year.

Unit and Location	Energy From Electricity consumption (TJ)	Energy From Fuel Consumption (TJ)	Total Energy Consumption by Location in TJ
FD Unit - Gagillapur	150.6	159.77	310.37
API Unit -I, Bonthapally	80	350.01	430.01
API Unit -II, Jeedimetla	17.1	33.86	50.96
API Unit -III, Bonthapally	2.3	9.08	11.38
API Unit -IV, Parawada	25.4	24.11	49.51
API Unit -V, Parawada	39.3	87.63	126.93
Corporate office	2.8	0	2.8
R&D - Pragathi Nagar (RC1)	0.9	0.07	0.97
R&D - Pragathi Nagar (RC2)	1.2	0.04	1.24
R&D - Genome Valley	5.3	0	5.3
R&D - Pune	0.3	0.45	0.75
Total	**325.1**	**665.03**	**990.1**

Energy Consumption across Operations

Total energy consumption during FY26 amounted to 990.10 TJ, comprising 325.1 TJ of electricity and 665.03 TJ of fuel consumption. Among our manufacturing locations, Bonthapally (GIL-I) recorded the highest energy consumption at 430.01 TJ, followed by Gagillapur (GIL-GGP) at 310.37 TJ. The Parawada units and Jeedimetla facility also contributed to overall energy demand, while the corporate office and R&D centres represented a comparatively smaller share of total consumption.

Renewable electricity utilisation remained consistently high across the organisation, accounting for 98% of total electricity consumption. At Gagillapur, renewable electricity was supported through a combination of I-RECs, rooftop solar installations and power purchase agreements (PPAs). Similar adoption levels were observed across other facilities, where renewable electricity utilisation ranged from 91% to 99%, demonstrating broad-based integration of renewable power sources throughout our operational network.

Unit & Location	Percentage of Renewable Electricity Share by Location
FD Unit - Gagillapur	98%
API Unit -I, Bonthapally	97%
API Unit -II, Jeedimetla	99%
API Unit -III, Bonthapally	98%
API Unit -IV, Parawada	98%
API Unit -V, Parawada	98%
Corporate office	91%
R&D - Pragathi Nagar (RC1)	96%
R&D - Pragathi Nagar (RC2)	96%
R&D - Genome Valley	92%
R&D - Pune	94%
Total	**98%**

Towards a Low Carbon Energy Future

Our long-term energy roadmap is centred on achieving 100% renewable electricity sourcing by FY30 through a balanced combination of onsite renewable energy generation, long-term renewable power procurement and I-REC purchases. As we progress towards this ambition, we remain focused on enhancing the flexibility, reliability and sustainability of our energy ecosystem, enabling us to support future growth while reducing reliance on conventional energy sources.



Advancing Energy Stewardship

As the pharmaceutical sector navigates evolving environmental expectations and increasing resource constraints, effective energy stewardship has emerged as a critical enabler of sustainable business performance. Organisations are increasingly integrating advanced technologies, smarter infrastructure and renewable energy solutions to improve resource productivity and strengthen long-term competitiveness.

We view energy stewardship as an opportunity to create lasting value through disciplined resource management and operational innovation. Our efforts are focused on building a more responsive and efficient energy ecosystem that supports manufacturing excellence while enabling responsible resource utilisation. This approach is reinforced through continuous evaluation of energy consumption patterns, technology-led improvements and enhanced visibility into operational performance. By leveraging digital tools and performance analytics, we are able to make informed decisions that support efficient resource allocation and sustained operational reliability.

Looking ahead, we will continue to strengthen our energy management capabilities, expand the integration of renewable power sources and pursue innovative solutions that support long-term business resilience and responsible growth.

Natural Capital (Contd..)

Water Management

Water is an essential resource in pharmaceutical manufacturing, supporting a wide range of activities, from API production and formulation to cooling, cleaning and utility operations. Given its critical role across manufacturing processes, effective water management is fundamental to maintaining operational reliability and resource efficiency.

Growing concerns around water stress, changing rainfall patterns and increasing scrutiny of pharmaceutical residues in aquatic ecosystems have heightened the importance of responsible water use and wastewater management across the industry. These challenges require organisations to adopt practices that balance operational requirements with the protection of shared water resources.

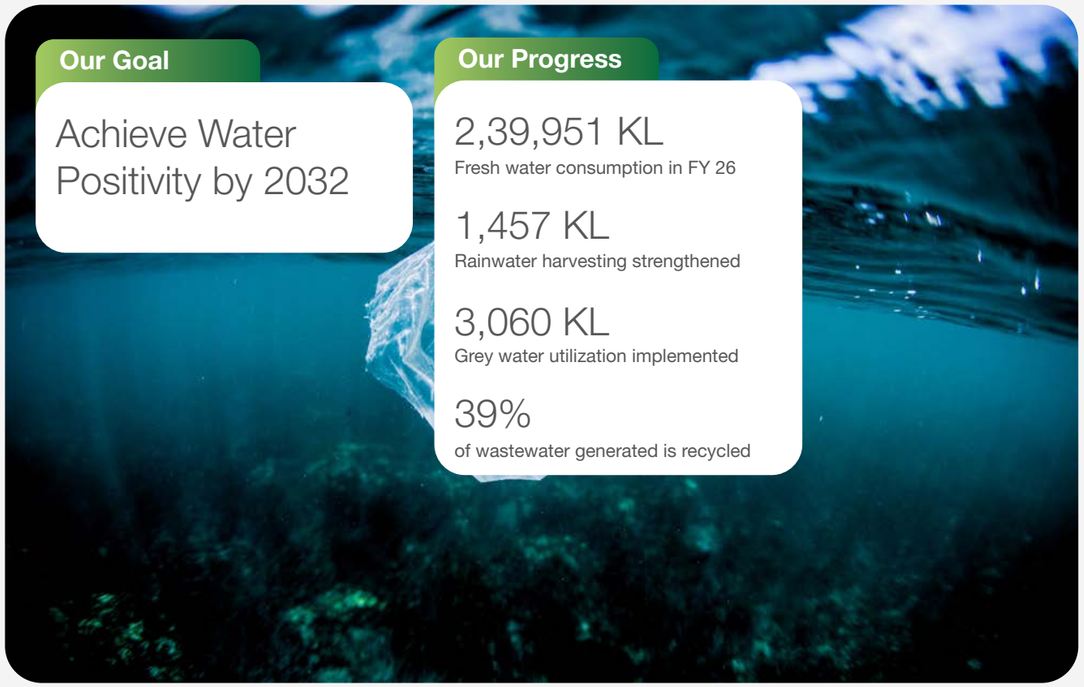
Managing Water in a Water-Stressed Environment

India's water landscape is becoming increasingly complex, shaped by climate variability, urbanisation and rising industrial demand. Simultaneously, regulatory expectations around effluent discharge, water recycling and Zero Liquid Discharge (ZLD) practices are raising the standards for industrial water management. In this context, building long-term water security has become an important consideration for both environmental sustainability and operational continuity.

Our Commitment & Approach

We recognise that water supports not only industrial processes but also the well-being of communities and ecosystems. Guided by our commitment to sustainable water stewardship, we promote responsible water management through the following priorities.

- Reducing freshwater withdrawal through efficient consumption and reuse practices
- Ensuring responsible sourcing based on local water availability
- Preventing contamination through robust effluent management systems
- Strengthening water security through conservation and replenishment initiatives



Our Goal

Achieve Water Positivity by 2032

Our Progress

2,39,951 KL
Fresh water consumption in FY 26

1,457 KL
Rainwater harvesting strengthened

3,060 KL
Grey water utilization implemented

39%
of wastewater generated is recycled

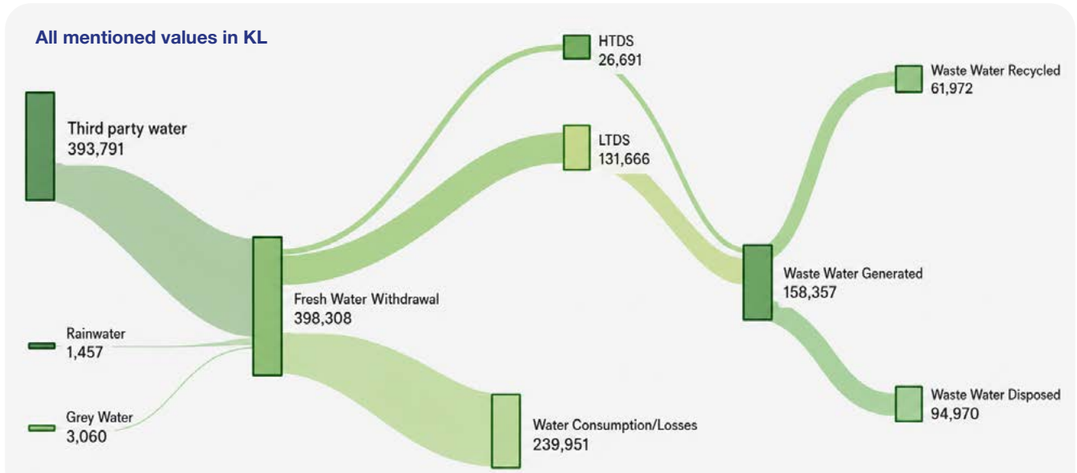


Natural Capital (Contd..)

Water and Wastewater Performance

Water and Wastewater	Unit	FY2025-26
Water with drawl by Source		
Surface Water	KL/ML	0
Ground Water	KL/ML	0
Third Party Water	KL/ML	3,93,791 / 393.7
Rainwater Harvesting	KL/ML	1,457 / 1.45
Grey Water	KL/ML	3060 / 3.06
Total Volume of Water Withdrawal	**KL/ML**	**3,98,308 / 398.3**
Total Volume of Water Consumption	KL/ML	2,39,951 / 239.9
Water Intensity in terms of physical output	KL/MT of Production	4.16
Waste water Generation ,Treatment and Disposal		
Wastewater Generated (LTDS +HTDS)	KL/ML	1,58,357 / 158.3
Recycle of Wastewater Generated	KL/ML	61,972 / 61.9
Percentage of Recycled Wastewater	%	39%
Waste Water Disposed to third parties (CETP)	KL/ML	94,970 / 94.9

FY 25-26 reflected steady progress in enhancing resource productivity while supporting growing operational requirements. Total water withdrawal stood at 3,98,308 KL, with the majority sourced through third-party water supply arrangements. During the year, the introduction of grey water utilisation (3,060 KL), along with rainwater harvesting (1,457 KL), contributed to a more diversified sourcing profile. Notably, no surface water or groundwater was withdrawn across operations.



Total water consumption was 2,39,951 KL. Despite higher production volumes and an increase in overall consumption, water intensity improved to 4.16 KL/MT from 4.33 KL/MT in the previous year, demonstrating more efficient utilisation relative to output.

Wastewater generation increased to 1,58,357 KL, reflecting higher levels of manufacturing activity. Of this, 61,972 KL was recovered for reuse across operations. Although the recycling rate moderated to 39% due to higher wastewater volumes, the total quantity of water recovered remained broadly stable, highlighting the effectiveness of established recovery and treatment systems.

The year also saw progress in broadening alternative water sources, maintaining recovery levels and improving resource productivity, reinforcing our efforts to optimise water use across manufacturing operations.

Water and Waste Water performance by unit

Unit and Location	Fresh Water withdrawal (KL)	Waste Water Generation (KL)	Water Consumed (KL)	Waste Water Recycled (KL)	Waste Water Disposed (KL)
FD Unit - Gagillapur	1,83,557	67,065	1,16,492	29,945	37,120
API Unit -I, Bonthapally	84,839	35,831	49,008	29,940	4,940
API Unit -II, Jeedimetla	25,449	23,860	1,589	0	23,860
API Unit -III, Bonthapally	2,246	1,825	421	1,552	0
API Unit -IV, Parawada	33,625	15,216	18,409	0	15,216
API Unit -V, Parawada	61,122	10,247	50,875	0	10,057
Corporate office	2,732	2,186	546	0	2,186
R&D - Pragathi Nagar (RC1)	360	235	125	**0**	235
R&D - Pragathi Nagar (RC2)	360	280	80	**0**	280
R&D - Genome Valley	2,769	725	2,044	0	725
R&D - Pune	1,250	888	363	536	351
Total	**3,98,308**	**1,58,357**	**2,39,951**	**61,972**	**94,970**

Water Performance (site-wise)

Water management practices across our facilities are tailored to local operating requirements, enabling each location to manage water resources effectively while supporting production, utility, research and administrative activities. During FY 25-26, manufacturing sites accounted for the majority of water use, reflecting the scale and nature of operations across the network.

Gagillapur, Parawada (GIL-4 and GIL-5) and Bonthapally represented the largest contributors to overall water withdrawal and consumption. These facilities also played a significant role in implementing treatment and recovery systems that support the recirculation of treated water within operations.

Several locations demonstrated strong resource recovery practices. Facilities such as GIL-3 (Bonthapally) and the Pune R&D Centre effectively utilised treated water within their operations, illustrating the benefits of site-specific approaches to water conservation and reuse.

During the year, wastewater disposal amounted to 94,970 KL, with all discharges managed through approved treatment and disposal mechanisms in accordance with applicable requirements and established environmental protocols. Going forward, we will continue to enhance site-level water performance through targeted infrastructure investments, expanded recovery capabilities and location-specific initiatives designed to maximise resource utilisation and minimise freshwater reliance.

Water Risk Assessment and Resilience

Understanding water-related risks is an important component of our broader environmental risk management framework. Aligned with the recommendations of the TCFD framework, our approach evaluates potential challenges arising from water stress, scarcity, flooding and evolving regulatory requirements that could influence operational continuity.

Our assessment process incorporates site-level vulnerability analyses and scenario-based evaluations to better understand the potential implications of changing water conditions across manufacturing locations. Using recognised assessment tools and methodologies, we identify areas of heightened exposure and assess their potential impact on operations.

Insights generated through these assessments are integrated into our TCFD disclosures and inform the prioritisation of response measures, investment planning and location-specific adaptation actions. By embedding water-related considerations into strategic planning processes, we are enhancing preparedness and strengthening our ability to respond to changing environmental conditions over the long term.



Progressing Towards Water Positivity

With increasing global and national focus on sustainable water management, achieving Water Neutrality has become a critical goal aligned with Granules India Limited's long-term sustainability strategy. Water Neutrality refers to a balance between water withdrawal and replenishment, ensuring no net depletion of water resources due to operations. Demonstrating progress in this area will significantly enhance our environmental stewardship, regulatory compliance, and stakeholder confidence.

Granules has embarked on a structured journey towards achieving its water neutrality goal of becoming water positive by 2032. As part of this commitment, the company has engaged the CII–Triveni Water Institute, aligning its approach with the NITI Aayog guidelines for water neutrality in Indian industry. In Phase 1, the focus is on the Gagillapur and Bonthapally units, which together account for nearly 70% of the company's overall water footprint. Through baseline assessments, watershed-level evaluations, and targeted interventions, Granules is systematically progressing towards optimizing water use, enhancing recycling and reuse, and contributing to sustainable water management within its operational boundaries and beyond.

Principles of Water Neutrality: The 3M-7R framework

Granules is aligning its water stewardship strategy with the **3M -7R framework** outlined in the **NITI Aayog Guidelines for Achieving Water Neutrality in Indian Industry**. The 3M principles **Map, Monitor, and Measure** --form the foundation of this approach by enabling systematic assessment of water resources, continuous monitoring of water consumption and discharge, and the implementation of data-driven water management practices across operations.

Complementing this framework, the 7R principles **Reduce, Recycle, Recover, Replenish, Recharge, Rejuvenate, and Recognize/Respect** --guide comprehensive actions to optimize water use, enhance circularity through reuse and recycling, and promote watershed sustainability through groundwater recharge and ecosystem restoration initiatives.

By integrating the 3M and 7R principles, Granules is adopting a holistic and structured approach to improve water-use efficiency, strengthen water resilience, mitigate water-related risks, and advance its journey towards **water neutrality and its long-term goal of becoming water positive by 2032**.



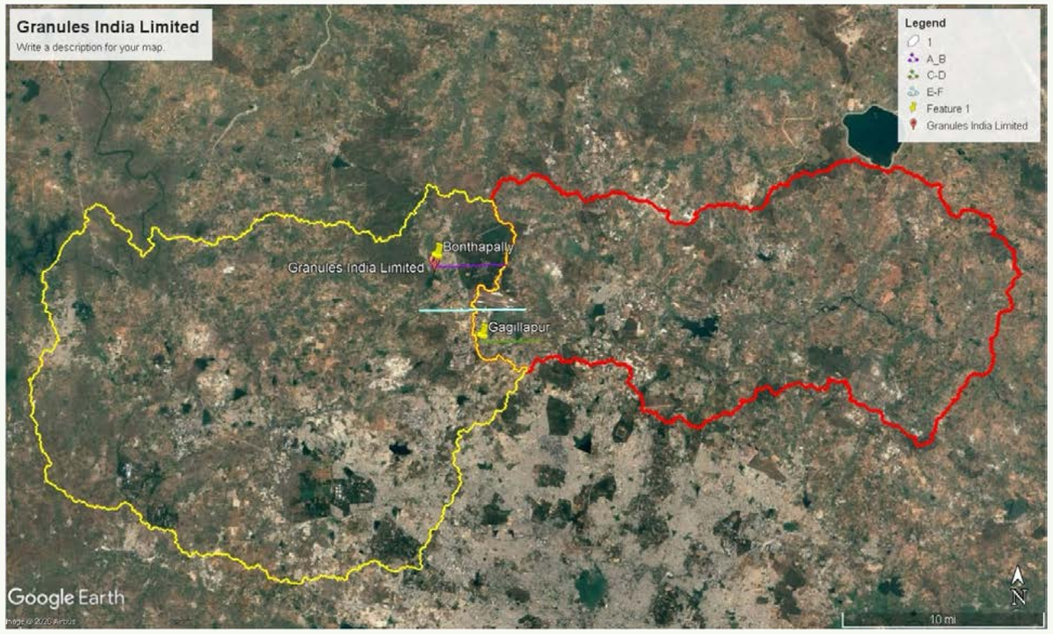
Approach and Methodology:

Granules India Limited adopts a **three-scope methodology** for achieving water neutrality, aligned with a structured and phased approach.

Scope 1 (Direct Water Use) focuses on improving **operational efficiency and plant-level water footprint,** including measurement of actual water consumption, implementation of the 3M–7R framework, watershed delineation, and assessment of both water quantity and quality impacts on the receiving ecosystem, leading to defined **water quantity and quality offsets**. This phase delivers a comprehensive water status report, plant-level water balance, and Water Neutrality (Aspiring) certification.

Scope 2 (Indirect Water Use & Supply Chain) expands the boundary to include virtual water and supply chain dependencies, covering identification of water-intensive supply chains, estimation of virtual water use, and development of a combined offset strategy integrating both direct and indirect impacts. It also incorporates watershed-level assessments and quality benchmarking to ensure sustainable balance across value chains, culminating in a Water Neutrality (Rising) certification.

Scope 3 (Validation & Reporting) focuses on monitoring, verification, and long-term governance, ensuring that implemented strategies are validated through robust systems for reporting, measurement, and performance tracking. This phase establishes sustained reductions in freshwater consumption, improved ecosystem health, and source diversification, ultimately leading to Water Neutrality (Achieved) certification through a structured monitoring and verification framework.



Map Showing the (Left Side) Bonthapally Watershed and (Right Side) Gagillapur Watershed

Assessments outcomes	UOM	Granules – Gagillapur unit	Granules – Bonthapally unit 1	Total
Geographical Area of Plant's watershed	km^2	636.67	870.55	1,507.22

Certification

Scope I → **Scope II** → **Scope III**

Water (Neutral/Positive) Aspiring Plant/Company

Water (Neutral/Positive) Rising Plant/Company

Water (Neutral/Positive) Achieved Plant/Company

Water Positive by 2032

Completed in FY 26 | Planned FY 27 | Planned FY 28/FY29





Gagillapur and Bonthapally Unit–I facilities have been officially recognized as Water Neutrality Aspiring Plants by the CII–Triveni Water Institute during the 11th Water Innovation Summit 2025, held on 18–19 November 2025 in New Delhi.

Key Action Points towards Water Neutrality Journey:

- **Enhance recycling and reuse** of treated wastewater across utilities, cooling systems, and landscaping applications.
- **Diversify freshwater sources** by integrating alternative supplies, including external grey water utilization.
- **Strengthen rainwater harvesting (RWH) systems** and augment groundwater recharge capacity
- **Implement water offset projects** such as lake rejuvenation, check dams, and community-based watershed development initiatives.
- **Engage suppliers and local communities** to drive collaborative water stewardship across the value chain.
- **Conduct periodic water balance studies and benchmarking** to identify gaps and track performance improvements.
- **Implement process-level water reduction measures,** including optimization of cleaning operations and utility usage.
- **Improve cooling tower and boiler efficiency** to minimize water losses and enhance operational performance.
- **Deploy smart water monitoring systems** for real-time tracking, leak detection, and proactive water management.

Advancing Water Neutrality Through Source Diversion at Gagillapur

As part of our Water Neutrality Strategy, the Gagillapur site has implemented a source diversification initiative to reduce dependence on freshwater resources and enhance water circularity. Under this initiative, RO permeate from the CETP-JETL (Common Effluent Treatment Plant) is utilized as make-up water for the cooling tower, replacing a portion of the freshwater previously used in utility operations.

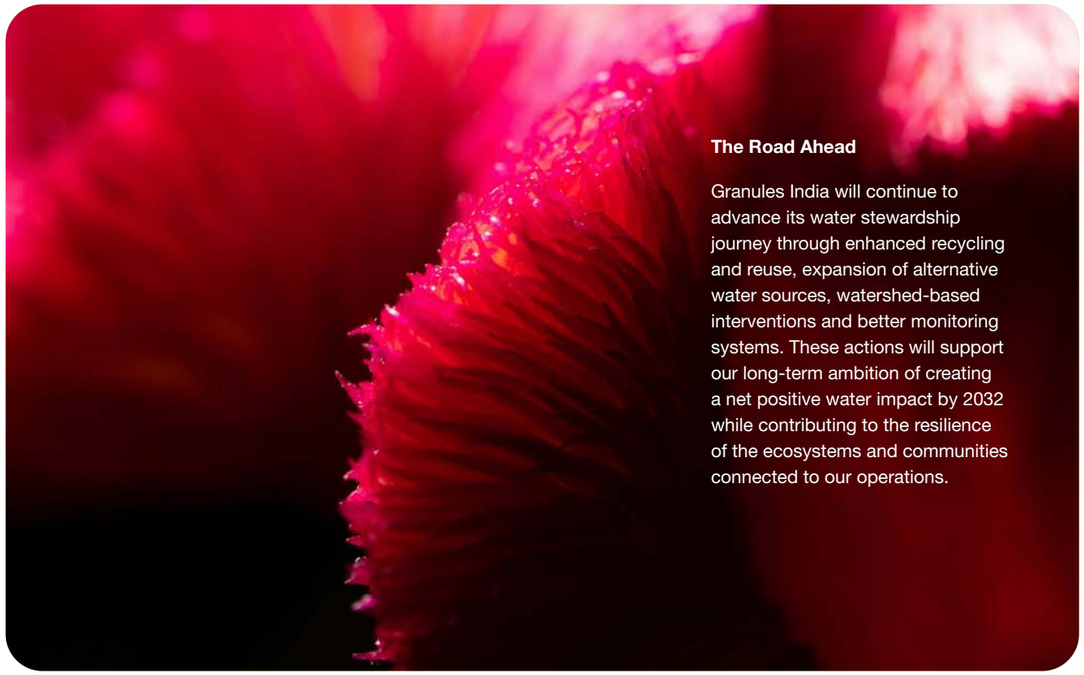
This initiative has enabled a reduction of approximately 3,926 KL of freshwater consumption within a two-month period, demonstrating the effectiveness of treated wastewater reuse in driving sustainable water management. By redirecting treated water streams to utility applications, the site has improved resource efficiency while significantly lowering its freshwater footprint.

The project is a key contributor to our Water Neutrality journey, supporting our broader objective of reducing freshwater withdrawal through source diversification, water reuse, and circular water management practices. It also serves as a scalable model that can be replicated across other manufacturing locations, strengthening organization-wide water stewardship and resilience.

Key Outcome

3,926 KL (~11.5%)

reduction in freshwater consumption achieved within two months through reuse of treated wastewater in cooling tower operations.



The Road Ahead

Granules India will continue to advance its water stewardship journey through enhanced recycling and reuse, expansion of alternative water sources, watershed-based interventions and better monitoring systems. These actions will support our long-term ambition of creating a net positive water impact by 2032 while contributing to the resilience of the ecosystems and communities connected to our operations.

Waste Management

Effective waste management is an important component of our environmental performance framework, enabling us to minimise material losses, maximise value extraction from byproducts and ensure the responsible handling of waste streams generated across our operations.

Guided by circular economy principles, Granules adopts a lifecycle based approach to waste management, focusing on minimising environmental impact while supporting sustainable growth. Our strategy seeks to decouple business growth from waste generation by prioritising waste prevention, resource efficiency and responsible disposal across operations.

We focus on minimising waste at source through continuous process improvements and the adoption of cleaner, more efficient technologies, reducing the generation of both hazardous and non hazardous waste. We also promote reuse and recycling practices, with particular emphasis on solvent recovery and plastic recycling, to enhance resource efficiency and material circularity.

Our waste management approach focuses on

- Minimising waste at source through process optimisation
- Promoting reuse and recycling, particularly solvent recovery and plastic recycling
- Ensuring safe and compliant disposal in line with ISO 14001 standards and applicable regulatory requirements
- Progressing towards Zero Waste to Landfill (ZWTL) by maximising recycling and recovery
- Co-processing waste through authorised facilities for safe and resource-efficient disposal
- Implementing Extended Producer Responsibility (EPR) for the effective management of post-consumer plastic packaging waste

To strengthen these practices, we have embedded sustainability-linked KPIs into our operational framework, enabling continuous monitoring and performance improvement across our sites. Waste management is further supported through cross-functional collaboration across procurement, operations and contractor management, along with robust waste segregation practices that improve traceability and handling efficiency.



Our Goal

Achieve Zero Waste to Landfill by 2030

Gagillapur unit has achieved Zero Waste to Landfill (ZWTL) Certification with Platinum + Rating with over 99% waste diversion rate from Landfill.

Our Progress

93%
of waste is diverted from landfill.

83%
of hazardous waste is safely co-processed.

100%
non-hazardous waste for reuse or recycling.

Different waste streams are managed through authorised recyclers and treatment facilities. Hazardous waste is disposed of through TSDFs and co processing routes, biomedical waste is handled through authorised treatment facilities, while plastic and e-waste are channelled towards recycling and material recovery. To further strengthen accountability, we undertake vendor due diligence, periodic audits and regular monitoring of waste disposal partners.

Through robust tracking systems and continuous operational improvements, our efforts are focused on improving waste traceability, increasing material diversion from disposal routes and advancing our ambition of achieving Zero Waste to Landfill across operations.

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.

Extending Responsibility Beyond Boundaries - Granules EPR Commitment

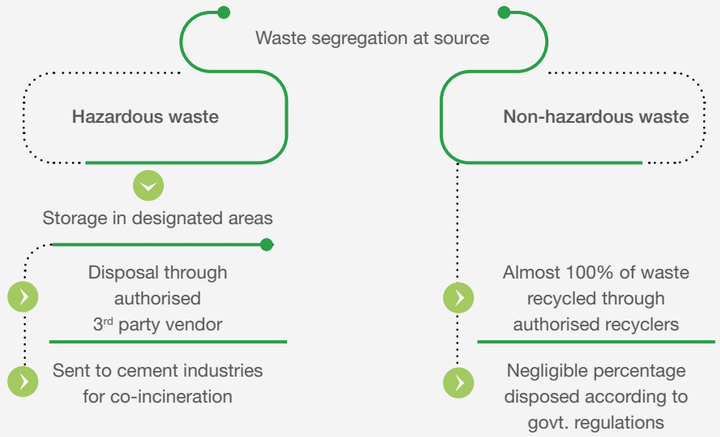
As a registered entity under the Extended Producer Responsibility (EPR) framework, Granules India is committed to managing the environmental impact of its products beyond the point of sale. The programme reflects our approach to addressing post-consumer plastic waste in line with regulatory requirements and circular economy principles.

Under the framework, we facilitate the collection, channelisation and recycling of post-consumer plastic waste through authorised partners, ensuring traceability and compliance with applicable regulations. This approach supports responsible waste management and improves recycling efficiency across the value chain.

We integrate our EPR obligations into our broader sustainability strategy through partnerships with authorised recyclers, strengthened reporting mechanisms and alignment with evolving regulatory requirements. These efforts support compliance, reduce environmental impact and advance circularity across our packaging systems.

Natural Capital (Contd..)

Waste Stream Flowchart



Co-processing is our most preferred choice of waste disposal.
We send a negligible share of waste to landfills and for incineration.

Hazardous waste generated across our operations arises from manufacturing, quality control and maintenance activities. Key waste streams include ETP sludge, PPE waste, tablet waste, QC laboratory 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, thermocol, used chemicals and glass waste.

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

All hazardous waste is handled, stored and disposed of in accordance with applicable environmental regulations and industry best practices to ensure safe and compliant waste management. Non-hazardous waste is segregated at source and managed through recycling, reuse or disposal by authorised vendors in compliance with applicable environmental requirements.

Overview of Waste Management

Waste	Unit	FY 25-26
Hazardous Waste disposed to Landfill	MT	934.12
Hazardous Waste disposed to Incineration	MT	62.85
Hazardous Waste disposed to Co-processing	MT	4,594.6
Hazardous waste to recycle (Waste Oil)	MT	2.84
Total Hazardous Waste	**MT**	**5,594.4**
Plastic Waste	MT	981.5
Non-Hazardous Waste (Other than Plastic Waste)	MT	1,945.1
Bio Medical Waste	MT	6.81
Battery Waste	MT	5.09
E-Waste	MT	4.52
Total Waste	**MT**	**8,537.5**
Waste Intensity	MT/Tons of Production	0.148

Coal ash data is not included in the above table, as tracking was initiated in FY 2025-26. The total generation recorded during the reporting period is 5,232.6 MT, which is being sent to brick manufacturers for reuse.

Waste Management Overview and Performance

Waste Disposal by Category (MT)

Waste Category	FY25- 26
Hazardous Waste – Landfill	934.12
Hazardous Waste – AFR/Co-processing	4,594.6
Hazardous Waste – Incineration	62.85
Hazardous Waste – Recycle	2.84
Biomedical Waste	6.81
Non-Hazardous Waste (Plastic)	981.5
Non-Hazardous Waste (Others)	1,945.1
Battery Waste	5.09
E-Waste	4.52
Grand Total	**8,537.5**

Waste Management by Disposal Method (MT)

Disposal Method	FY 25-26
Disposed	1,003.8
Recycled	2,939.0
Reused	4,594.6
Grand Total	**8,537.5**

Waste Disposal by Location (MT)

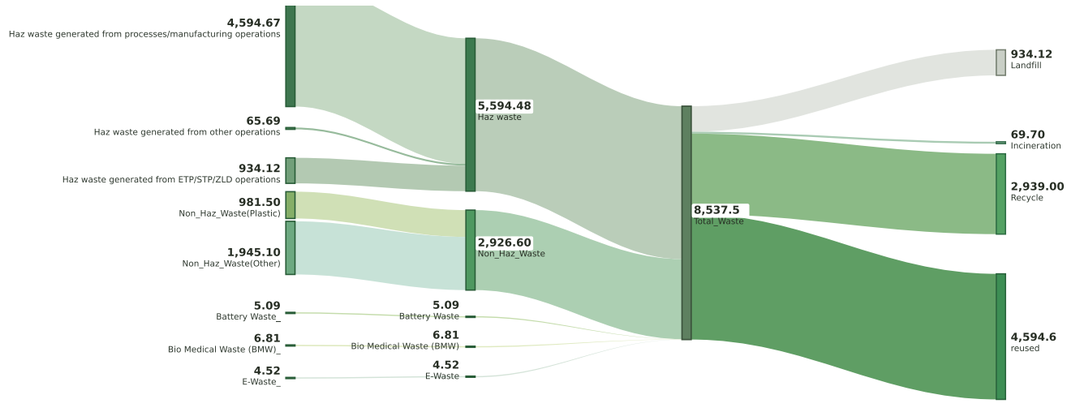
Waste disposal by locations	FY 25-26
FD Unit - Gagillapur	2530.42
API Unit -I, Bonthapally	5212.18
API Unit -II, Jeedimetla	218.63
API Unit -III, Bonthapally	73.95
API Unit -IV, Parawada	339.21
API Unit -V, Parawada	137.75
Corporate office	0
R&D - Pragathi Nagar (RC1)	7.01
R&D - Pragathi Nagar (RC2)	0.01
R&D - Genome Valley	14.42
R&D - Pune	3.90
Total	**8537.5**

Natural Capital (Contd..)

Driving Resource Recovery

Waste generated across our operations comprised 5,594.48 MT of hazardous waste and 2,926.60 MT of non-hazardous waste, in addition to smaller streams such as battery, biomedical and e-waste. Our waste management approach prioritises resource recovery and responsible disposal, with 4,594.70 MT channelised for co-processing and reuse and 2,939 MT directed towards recycling. Disposal volumes remained limited, with 934.12 MT managed through landfill routes and 69.70 MT through incineration

All mentioned values in MT



Advancing Circularity

Our approach to waste management is centred on maximising the productive use of materials while ensuring the safe handling of residual waste streams. Hazardous waste represented the largest portion of waste generated during the year, reflecting the characteristics of pharmaceutical manufacturing processes. To minimise landfill dependence, a significant portion of hazardous waste was channelised for co-processing in cement kilns, enabling both energy and material value to be recovered.

Non-hazardous waste, including plastic and other recyclable materials, was effectively segregated and managed through appropriate recovery and recycling channels. Dedicated management processes were also in place for specialised waste streams such as e-waste, battery waste and biomedical waste, all of which were handled through authorised recyclers and treatment facilities.

Our Performance

Our waste management performance reflects the effectiveness of established segregation, recovery, treatment and diversion practices across operations. During the year, a significant proportion of waste was redirected towards beneficial use pathways, with increased utilisation of co-processing and recycling routes supporting higher levels of material recovery.

Through ongoing enhancements in waste handling systems and partner management processes, we continue to improve waste diversion outcomes, optimise material utilisation and advance our ambition of achieving Zero Waste to Landfill across our operations.



Leading the Change: Gagillapur's Zero Waste Achievement

The Gagillapur facility achieved a significant sustainability milestone by securing the **Zero Waste to Landfill (ZWTL) Certification** from Bureau Veritas with an exceptional **Platinum+ rating of 99.64%**. The recognition highlights the site's ability to implement world-class waste diversion practices and sets a new benchmark for environmental performance across our manufacturing network.

The certification was supported by a waste diversion rate of 99.64%, with only 14.87 MT of waste directed to landfill. Through disciplined segregation practices, streamlined collection systems and the effective routing of waste into recycling and co-processing channels, the facility successfully minimised landfill disposal.

The accomplishment reflects the strength of a well-established waste governance framework and the dedication of teams across production, EHS and support functions. Continuous oversight, rigorous performance tracking and alignment with recognised standards have helped embed a culture of accountability and operational excellence across the site.

The practices, systems and learnings developed at Gagillapur are creating a blueprint for broader adoption across the organisation, supporting efforts to elevate performance standards at other manufacturing locations..

Building on this achievement, Granules India is working towards its goal of achieving Zero Waste to Landfill across all manufacturing sites by 2030, reinforcing its focus on resource efficiency, circularity and responsible environmental stewardship.

Platinum + Rating

99.64% waste diversion rate

Zero Waste to Landfill Across All Sites by 2030

Our Goal

Biodiversity

Granules recognizes biodiversity conservation as a key pillar of its sustainability strategy and is committed to protecting and enhancing natural ecosystems across its operations and value chain. The Company integrates biodiversity considerations into site planning, environmental management, and responsible sourcing practices to minimize ecological impacts and support ecosystem resilience. While its operations are not located within ecologically sensitive areas, Granules recognizes the importance of preserving and enhancing natural habitats as part of its broader environmental agenda. Through afforestation, habitat restoration, green belt development, community-driven greening initiatives, and environmental awareness programmes, the Company strives to enhance biodiversity, strengthen environmental stewardship, and foster long-term environmental responsibility. Granules follows the mitigation hierarchy of avoid, minimize, restore, and offset to manage biodiversity impacts and remains committed to achieving biodiversity-positive outcomes and promoting deforestation-free sourcing across its value chain.

Engaging Communities to Drive Action

A key highlight of our biodiversity efforts has been the engagement of over 1,00,000 participants through marathon and plantation drives, creating a platform that brings together community well-being and environmental responsibility.

These initiatives have contributed to

- Expanding green cover through structured plantation activities
- Promoting the cultivation of native species
- Enhancing environmental awareness among communities
- Supporting ecological resilience and local biodiversity

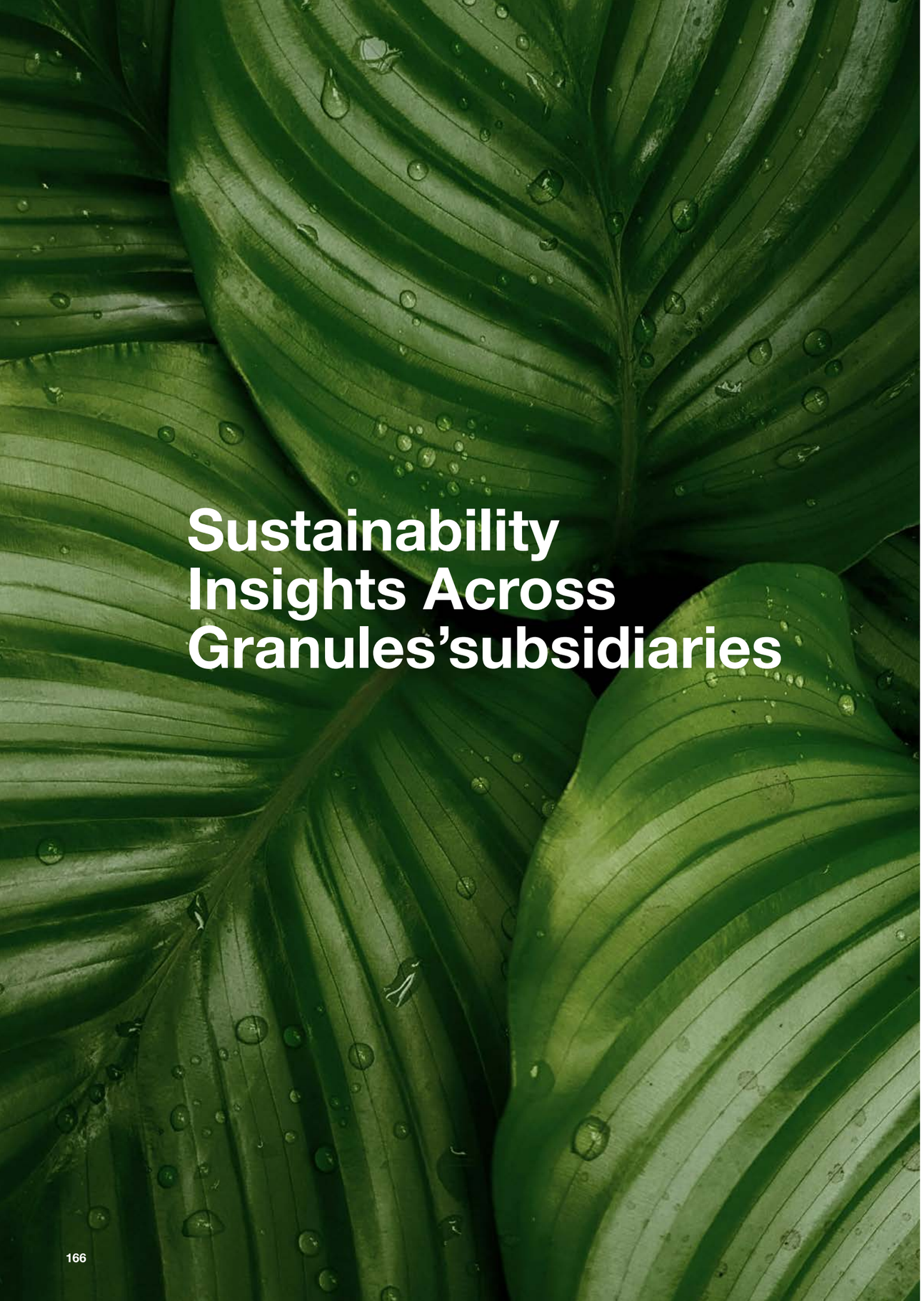
Advancing Nature-positive Outcomes

Our efforts extend beyond plantation activities and focus on fostering a culture of environmental awareness among employees, communities and other stakeholders. Through collaborative action and sustained participation, we aim to encourage greater appreciation of natural resources and contribute to the long-term health of local environments. We will continue to expand collaborative environmental programmes, strengthen community participation and support initiatives that promote greener and more vibrant landscapes across our areas of operation.

18,000+

native trees planted through the Granules Green Heartfulness Run, engaging 100,000+ participants.



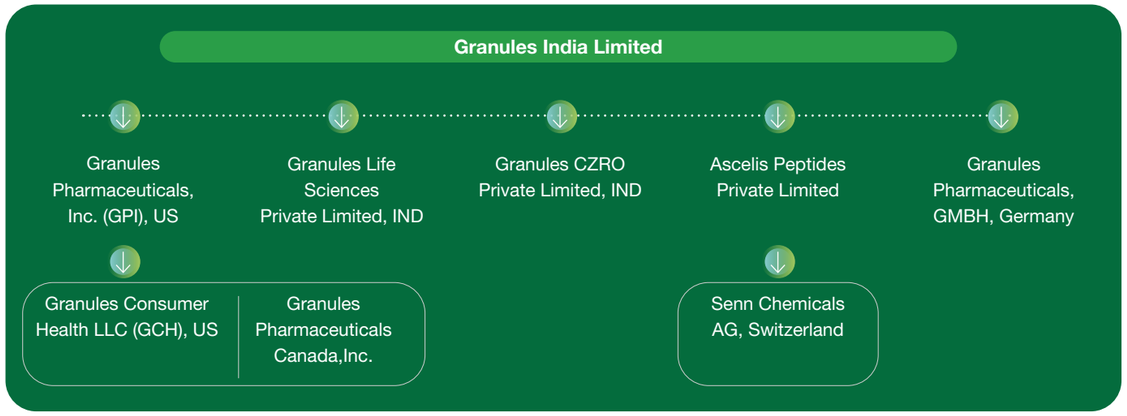


Sustainability Insights Across Granules'subsidiaries

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.

Strategically located, the subsidiaries 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 recognize 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 organizational culture across our diverse operations is essential to our long-term success.



Note:

- Granules Pharmaceuticals, GMBH -Germany & Granules Pharmaceuticals, canada Inc., was incorporated in November 2025.
- Ascelis Center of Excellence (IIT Hyderabad facility) commenced operations in June 2025.

Granules Pharmaceuticals Inc. (GPI):

Granules Pharmaceuticals, Inc. (GPI), USA is a wholly owned subsidiary of Granules India Limited, headquartered in Chantilly, Virginia, USA. The company serves as Granules' strategic manufacturing, research, and commercial platform in the United States, supporting the development, manufacture, and distribution of high-quality and affordable generic pharmaceutical products. Its US FDA and DEA-approved facility, spread over more than 1,00,000 square feet, specializes in complex oral solid dosage forms, including tablets, capsules, oral solutions, and modified-release formulations. GPI plays a key role in strengthening Granules' presence in the regulated U.S. market through its robust R&D capabilities, regulatory expertise, and customer-focused supply chain.



Sustainability Insights Across Granules'subsidiaries (Contd..)

Granules Consumer Health (GCH)

Granules Consumer Health is subsidiary of GPI and front-end products division for private label over the counter (OTC) products in the US products. GCH was established in 2014, to offer OTC generics that meet the highest level of quality at an affordable cost that is much more affordable than brand name products. Granules is well established on bulk supply through efficiencies garnered through manufacturing, integration, and a high level of regulatory compliance. GCH builds on the efficiencies on Granules India's manufacturing, packages product in the US and supplies products to our store brand partners.

Granules Life Sciences Private Limited (GLS):

Granules Life Sciences Private Limited (GLS) is a wholly owned subsidiary of Granules India Limited, established to expand the Group's finished dosage manufacturing capabilities. Located at Shamirpet, Hyderabad, the state-of-the-art facility manufactures oral solid dosage formulations for regulated markets. During FY 2025-26, the facility attained key regulatory milestones, including its first U.S. FDA approval and a Voluntary Action Indicated (VAI) classification following a U.S. FDA inspection, reflecting its commitment to quality, compliance, and operational excellence. The facility strengthens Granules India's multi-site manufacturing network, enhancing supply chain resilience and supporting sustainable growth in global pharmaceutical markets.

Granules CZRO Private Limited (GCZRO): 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 stabilization.

Ascelis Peptides Private Limited

Ascelis Peptides Private Limited, a wholly owned subsidiary of Granules India Limited, is a global peptide platform and Contract Development and Manufacturing Organization (CDMO) dedicated to advancing peptide innovation across pharmaceutical and cosmetic applications. Originally incorporated as Granules Peptides Private Limited in March 2025, the company was subsequently renamed Ascelis Peptides Private Limited in June 2025, reflecting its global peptide-focused identity and growth aspirations.

Established by combining the Swiss scientific expertise of Senn Chemicals AG with Granules' large-scale manufacturing strengths, Ascelis delivers integrated solutions across the peptide value chain.

The company specializes in the development and manufacturing of complex peptide Active Pharmaceutical Ingredients (APIs), amino acid derivatives, and next-generation therapeutic molecules, including GLP-1 and oncology-related peptides. In addition, Ascelis serves the growing cosmetic peptide market through the development of high-quality, sustainably manufactured products, with a focus on TFA-free synthesis to support clean beauty formulations.

Leveraging advanced peptide manufacturing technologies, including Solid-Phase Peptide Synthesis (SPPS) and Liquid-Phase Peptide Synthesis (LPPS), Ascelis offers end-to-end CDMO services ranging from early-stage development to commercial-scale production. Its integrated capabilities enable customers to accelerate development timelines while maintaining high standards of quality, reliability, and regulatory compliance.



Ascelis operates through a strategically integrated two-continent ecosystem. Its facility in Dielsdorf, Switzerland, serves as a center for scientific excellence, supporting high-complexity CDMO projects and kilo-scale production of peptide APIs. Complementing this, the company is expanding its presence in India through a state-of-the-art greenfield manufacturing facility and the Ascelis Center of Excellence located at the IIT Hyderabad Technology Research Park. These facilities provide advanced analytical, characterization, process development, and large-scale manufacturing capabilities, enabling Ascelis to effectively serve global pharmaceutical and cosmetic customers.

Through its combined strengths in innovation, scientific expertise, and manufacturing scale, Ascelis Peptides is well positioned to support the growing global demand for peptide-based therapeutics and specialty peptide products.

Senn Chemicals AG, Dielsdorf ,Switzerland

Senn Chemicals AG, a part of Ascelis Peptides Private Limited and located in Dielsdorf, Switzerland, is a specialized Contract Development and Manufacturing Organization (CDMO) with over six decades of expertise in peptide science.

Established in 1963, the company provides end-to-end development and manufacturing services for peptide APIs, peptide fragments, amino acid derivatives, small molecules, nucleotides, and excipients. Leveraging advanced peptide synthesis technologies and cGMP-compliant operations, SENN supports customers from discovery and process development through scale-up, validation, regulatory support, and commercial manufacturing. Headquartered near Zurich, Switzerland, the company serves biotechnology, pharmaceutical, diagnostic, cosmeceutical, and veterinary industries worldwide, consistently delivering high-quality products and services while maintaining Swiss quality standards, on-time delivery, and cost-effective execution.



Sustainability Performance- FY 26

Social & Governance

Granules has built a diverse and skilled workforce across its divisions, with each team contributing meaningfully to the Company's pharmaceutical value chain. We cultivate an inclusive and forward-looking work environment, driven by passionate individuals who advance our operations and sustainability goals.

Number of employees

339 GPI	**114** GCH	**99** Senn
472 GLS	**16** GCZRO	**26** Ascelis

Sustainability Insights Across Granules'subsidiaries (Contd..)

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

FY 2025-26	Category	Unit	GLS	GCZRO	GCH	GPI	Senn Chemicals	Total
Scope-1	Direct emissions from fuel	tCO_2e	920	6	121	1,830	723	3,600
Scope-2 (Location based)	Indirect emissions from electricity consumption	tCO_2e	12,898	291	441	2,448	119	16,197
Scope-2 (Market based)	Indirect emissions from electricity consumption	tCO_2e	12,898	291	441	2,448	119	16,197
Total Scope 1 + Scope 2 (Market Based)		tCO_2e	**13,818**	**297**	**562**	**4,278**	**842**	**19,797**
Scope 3	Category 1 - Purchased Goods & Services	tCO_2e	4,278	8,483	1,578	2,758	12,868	29,965
Scope 3	Category 2 – Capital Goods	tCO_2e	12,841	954	1,875	2,812	336	18,818
Scope 3	Category 3 – Fuel and Energy Related Activities	tCO_2e	3,609	79	106	779	250	4,823
Scope 3	Category 4 – Upstream Transportation & Distribution	tCO_2e	246	3	21	1,022	38	1,330
Scope 3	Category 5 – Waste Generated from Operations	tCO_2e	2	1	85	10	423	521
Scope 3	Category 6 – Business Travel	tCO_2e	39	5	34	50	30	159
Scope 3	Category 7 – Employee Commuting	tCO_2e	89	2	208	549	112	960
Scope 3	Category 8 – Upstream Leased Assets	tCO_2e	-	-	34	1,017	-	1,051
Scope 3	Category 9 – Downstream Transportation & Distribution	tCO_2e	158	0	83	1,262	3	1,505
Scope 3	Category 10 – Processing of Solid Products	tCO_2e	-	-	-	-	-	0
Scope 3	Category 11 – Use of Solid Products	tCO_2e	-	-	-	-	-	0
Scope 3	Category 12 – End of Life Treatment of Solid Products	tCO_2e	5	-	398	1,460	-	1,863
Scope 3	Category 13 – Downstream Leased Assets	tCO_2e	-	-	-	-	-	0
Scope 3	Category 14 – Franchises	tCO_2e	-	-	-	-	-	0
Scope 3	Category 15 - Investments	tCO_2e	-	-	-	-	-	0
	Scope 3 emissions	tCO_2e	**21,268**	**9,527**	**4,422**	**11,720**	**14,060**	**60,996**
Scope 1 + Scope 2 (Market Based) + Scope 3		tCO_2e	**35,086**	**9,824**	**4,984**	**15,998**	**14,902**	**80,793**

Energy Consumption

At GPI and GCH, 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

61.20 GPI	6.92 GCH	17 Senn
80.97 GLS	1.56 GCZRO	

Waste Management

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

Hazardous Waste Disposal in MT

23.27 GPI	0 GCH	700* Senn
96.5 GLS	0.236 GCZRO	

Non-Hazardous Waste Disposal in MT

53.18 GPI	505.2 GCH
223.8 GLS	0 GCZRO

Water Withdrawal

Water at our subsidiaries is primarily utilized for manufacturing, cleaning, drinking, and other essential activities. Efficient water management practices, including reuse and recycling systems, are implemented to minimize freshwater consumption and reduce operational impact. We also monitor usage across processes to identify conservation opportunities and promote responsible water stewardship, especially in water-stressed regions.

Water Withdrawal in KL

1,05,63 GPI	643 GCH	12,691* Senn
87,291 GLS	3,220 GCZRO	

*Represents for Calendar year 2025

Business Responsibility and Sustainability Report 2025-26

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 outline our dedication to environmental stewardship, social responsibility, and robust governance, while showcasing our accomplishments and outlining our future goals.

KEY HIGHLIGHTS:

- Achieved the CDP Climate Change A List in 2025, advancing from C to B to A over three cycles.
- Earned CDP ratings of B and B- in its first-time Water Security and Forests disclosures.
- Received a "Gold rating" in our 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.
- Achieved an A List rating in CDP's Supplier Engagement Assessment (SEA) 2025, demonstrating strong leadership in engaging its supply chain on climate action.
- Achieved an S&P Global ESG Score of 62 out of 100.
- Gagillapur and Bonthapally Unit–I facilities are officially recognized as Water Neutrality Aspiring Plants by the CII–Triveni Water Institute (CII–TWI) for completing baseline and watershed delineation studies, as well as identifying community intervention opportunities, supporting Granules' 2032 water neutrality goal.
- Gagillapur unit has achieved Zero Waste to Landfill (ZWTL) Certification with Platinum + Rating with over 99% waste diversion rate from Landfill.
- Achieved Sedex Supplier Plus certification, demonstrating strong performance across social, environmental, and responsible sourcing parameters within its supply chain.
- Honoured with the Sustainability Award at Haleon's Winning Together -Supplier Summit 2026, recognizing its measurable progress in environmental sustainability and commitment to responsible pharmaceutical manufacturing.
- Granules received the Silver Award at the CII National EHS Excellence Awards 2025 for its Gagillapur Unit and Granules Life Sciences site, while Unit-I Bonthapally and Unit-IV Visakhapatnam were recognized with the Bronze Award during the same ceremony.
- Become an official signatory to the UN-WEP (UN Women-UN Global Compact Women's Empowerment Principles), reaffirming its commitment to gender equality and alignment with SDG5 (Gender Equality).
- Joined the Pharmaceutical Supply Chain Initiative (PSCI) as an official Supplier Partner, reinforcing its commitment to ethical, responsible, and sustainable supply chain practices.
- Retained its membership with the UNGC (United Nations) Global Compact, reaffirming its commitment to the 10 principles of human rights, labour, environment, and anti-corruption.
- Became a member of the British Safety Council (BSC) and the National Safety Council (NSC), reinforcing its commitment to workplace health and safety.
- Published our inaugural Integrated Annual Report in FY 2024-25, aligned with the GRI Standards and the UN Global Compact (UNGC) principles.
- Our Net Zero target by 2050, approved by the Science Based Targets initiative (SBTi), is aligned with the 1.5°C pathway.



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 consist 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 25-26 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 in a manner that is ethical, transparent and accountable

Granules is committed to conducting business with integrity, transparency, and accountability across all operations and value chain activities. Ethical business conduct is embedded into the Company's governance framework through a comprehensive Code of Conduct applicable to employees, suppliers, contractors, and business partners. The Company promotes a strong culture of compliance through structured policies, regular governance reviews, robust internal controls, and leadership oversight.

Granules follows a zero-tolerance approach toward unethical practices, bribery, corruption, discrimination, and non-compliance. Ethical considerations are integrated into supplier onboarding, vendor evaluations, and operational decision-making processes. The Company also maintains robust grievance and whistle-blower mechanisms that ensure confidentiality, protection against retaliation, and timely resolution of concerns.

To strengthen responsible business conduct, Granules aligns its practices with globally recognized frameworks and customer expectations through SMETA, PSCI, regulatory, and customer audits across manufacturing sites and offices. Continuous engagement with employees and value chain partners helps reinforce awareness, accountability, and a shared commitment toward ethical and responsible business practices.

Key Actions

- Periodic review and strengthening of the Code of Conduct, ethics policies, and governance frameworks in line with evolving regulatory and industry requirements.
- Conducting mandatory ethics, compliance, anti-bribery, and Code of Conduct training programs for employees across locations.
- Integrating ethical business conduct requirements into supplier onboarding, assessment, and vendor management processes.
- Undertaking regular SMETA, PSCI, customer, and regulatory audits across manufacturing facilities and offices.
- Maintaining a whistle-blower mechanism with provisions for confidentiality, non-retaliation, and timely grievance resolution.
- Implementing conflict-of-interest disclosure and review mechanisms across relevant functions.
- Strengthening internal controls and integrating ethics and compliance considerations into enterprise risk management practices.
- Driving continuous monitoring through audit closure tracking, compliance reviews, and improvement initiatives across operations and value chain activities.

Highlights / Achievements

- 100% of employees trained on the Company's Code of Conduct and ethical business practices.
- 100% of key suppliers assessed on ethical business conduct during onboarding and at defined periodic intervals as part of the Vendor Management Procedure.
- 100% of plants and offices covered under SMETA, PSCI, customer, and regulatory audits.
- Continued engagement with suppliers and business partners to promote ethical business practices and responsible value chain management.
- Robust governance mechanisms established to support transparency, accountability, and compliance across operations.

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Granules is committed to providing safe, high-quality, and sustainable products while minimizing environmental and social impacts across the product lifecycle. Sustainability considerations are integrated into sourcing, manufacturing, packaging, and product stewardship processes to ensure responsible business practices and compliance with global regulatory expectations.

The Company focuses on responsible sourcing, efficient resource utilization, product safety, and environmental compliance across operations and the value chain. Granules collaborates closely with suppliers and business partners to strengthen sustainability performance and ensure adherence to stringent quality and regulatory standards.

To enhance environmental transparency and support climate action, Granules has initiated product carbon footprint assessments across a significant portion of its portfolio. The Company also ensures that key starting materials are procured from GMP-compliant vendors, reinforcing product safety and quality assurance. Compliance with Extended Producer Responsibility (EPR) regulations and CPCB guidelines further strengthens Granules' commitment towards sustainable waste management and responsible product stewardship.

Key Actions

- Expanding product carbon footprint assessments across key products to identify environmental impacts and reduction opportunities.
- Integrating sustainability considerations and green chemistry principles into product development and manufacturing processes.
- Strengthening supplier qualification and onboarding processes with enhanced sustainability, compliance, and quality requirements.
- Sourcing key starting materials from GMP-compliant vendors to ensure product quality, safety, and regulatory compliance.
- Enhancing lifecycle-based assessment approaches for products and operational processes.
- Ensuring compliance with EPR regulations, CPCB requirements, and applicable customer and regulatory standards.
- Promoting sustainable packaging, waste minimization, and responsible material management initiatives.
- Engaging suppliers and value chain partners to improve sustainability awareness, product stewardship, and responsible sourcing practices.

Highlights / Achievements

- Conducted product carbon footprint assessments for products representing 80% of overall spending, in collaboration with value chain partners.
- 100% of Key Starting Materials (KSMs) sourced from GMP-compliant vendors.
- Registered with the Central Pollution Control Board (CPCB) under Extended Producer Responsibility (EPR) guidelines.
- Continued strengthening of sustainable sourcing and responsible procurement practices across the value chain.
- Maintained compliance with applicable quality, safety, environmental, and regulatory requirements across operations and products.

Principle 3

Businesses should respect and promote the well-being of all employees

Granules is committed to fostering a safe, inclusive, and healthy workplace that promotes the overall well-being of employees and workers across its operations and value chain. The Company integrates occupational health, safety, and employee wellness into its business processes through structured management systems, proactive risk management, and continuous engagement initiatives.

All manufacturing facilities operate under ISO 45001-certified Occupational Health and Safety Management Systems, reinforcing Granules' commitment to maintaining high standards of workplace safety and incident prevention. The Company adopts a proactive zero-harm approach supported by regular safety training, industrial hygiene practices, risk assessments, digital monitoring tools, and leadership-driven safety governance.

Granules also focuses on holistic employee well-being through annual health screenings, medical insurance coverage, wellness initiatives, and employee engagement programs. Advanced digital systems such as the Universal CAPA Tracker and Safety Risk Intelligence Dashboard (SRID) strengthen risk visibility, incident tracking, and timely corrective actions. Through continuous monitoring, awareness programs, and employee participation, Granules promotes a strong culture of safety, health, and well-being across the organization

Key Actions

- Strengthening a proactive safety culture through leading safety indicators, employee engagement, and zero-harm initiatives.
- Maintaining ISO 45001-certified Occupational Health and Safety Management Systems across all manufacturing facilities.
- Conducting regular safety training and awareness programs for employees, workers, and contractors.
- Enhancing occupational health programs through industrial hygiene monitoring, periodic health surveillance, and preventive healthcare initiatives.
- Expanding employee well-being initiatives including medical insurance, wellness programs, and health check-ups.
- Strengthening contractor and value chain safety management practices through compliance monitoring and engagement.
- Leveraging digital systems such as CAPA Trackers and Safety Risk Intelligence Dashboards (SRID) for proactive risk identification and closure management.
- Benchmarking health and safety performance indicators against global pharmaceutical and industry best practices.

Highlights / Achievements

- Received the Silver Award at the CII National EHS Excellence Awards 2025 for the Gagillapur Unit and Granules Life Sciences site.
- Unit-I Bonthapally and Unit-IV Visakhapatnam received the Bronze Award at the CII National EHS Excellence Awards 2025.
- Achieved Zero Reportable Safety Incidents during the reporting period.
- 100% of employees and workers trained on safety work practices.
- Achieved 100% Return-to-Work rate.
- 100% of manufacturing facilities certified under ISO 45001 Health and Safety Management System.
- 100% of employees covered under annual health screenings and medical insurance benefits.
- Successfully rolled out the Universal CAPA Tracker and Safety Risk Intelligence Dashboard (SRID) to improve corrective action closure discipline and enhance risk visibility.

Principle 4 — Businesses should respect the interests of and be responsive to all their stakeholders Granules' Approach

Granules is committed to building transparent, inclusive, and long-term relationships with all its stakeholders, including employees, customers, suppliers, investors, regulators, industry bodies, and local communities. The Company follows a structured stakeholder engagement framework that enables continuous dialogue, collaboration, and responsiveness to stakeholder expectations and emerging sustainability priorities.

The Company undertakes regular stakeholder interactions and materiality assessments aligned with globally recognized frameworks such as GRI to identify and prioritize key environmental, social, and governance (ESG) topics relevant to business growth and stakeholder interests. Granules integrates stakeholder feedback into sustainability strategy, internal KRAs, operational improvements, and long-term business planning.

Granules actively participates in global and industry initiatives such as UNGC, UN-WEP, PSCI, Project Gigaton, M2030, and SMETA, demonstrating its commitment towards responsible business practices, sustainability, ethical supply chains, and stakeholder inclusiveness. Through ongoing engagement, supplier collaboration programs, and transparent disclosures, the Company continues to strengthen stakeholder trust and create shared value across the value chain.

Key Actions

- Periodically reviewing and strengthening stakeholder mapping and prioritization processes.
- Conducting materiality assessments aligned with GRI and other global sustainability frameworks to identify key ESG priorities.
- Enhancing structured stakeholder engagement platforms, including customer, supplier, investor, employee, and community interactions.
- Integrating stakeholder insights and feedback into sustainability strategies, operational improvements, and organizational KRAs.
- Participating in global sustainability and responsible business initiatives to strengthen stakeholder collaboration and accountability.
- Engaging suppliers through sustainability programs to improve responsible sourcing and product carbon footprint assessments.
- Strengthening disclosure transparency through sustainability reporting, ESG communications, and stakeholder outreach initiatives.
- Promoting continuous engagement with industry platforms and customers on ethical, environmental, and supply chain sustainability topics.

Highlights / Achievements

- Became an official signatory to the UN-WEP (UN Women's Empowerment Principles), reaffirming commitment to gender equality and SDG 5.
- Became a member of the British Safety Council (BSC) and the National Safety Council (NSC), strengthening commitment towards workplace health and safety excellence.
- Joined the Pharmaceutical Supply Chain Initiative (PSCI) as an official Supplier Partner, reinforcing commitment to ethical and sustainable supply chain practices.
- Retained membership with the UNGC (United Nations Global Compact), reaffirming alignment with the Ten Principles covering human rights, labour, environment, and anti-corruption.
- Engaged and supported suppliers through the Supplier Sustainability Program to enable product carbon footprint assessments.
- Undertook several internal stakeholder engagement initiatives to develop sustainability strategy and organization-wide sustainability KRAs.
- Received the Sustainability Award at Haleon's Winning Together – Supplier Summit 2026 for measurable progress in environmental sustainability and responsible manufacturing.
- Achieved Sedex Supplier Plus Certification, demonstrating strong performance across social, environmental, and responsible sourcing practices.
- Continued customer engagement through platforms including PSCI, M2030, Project Gigaton, and SMETA.

Principle 5 — Businesses should respect and promote human rights

Granules is committed to respecting and promoting human rights across its operations and value chain by fostering a workplace culture built on dignity, equality, fairness, and inclusion. The Company upholds internationally recognized human rights principles through alignment with global frameworks such as the United Nations Global Compact (UNGC), UN Women's Empowerment Principles (UN-WEP), and SA8000 Social Accountability standards.

Granules ensures fair treatment of employees through non-discriminatory practices, fair wages, equal opportunity, and safe working conditions. Human rights considerations are integrated into employee policies, supplier assessments, and governance frameworks to strengthen responsible business practices across the value chain.

The Company promotes awareness and accountability through regular Code of Conduct and human rights training programs, robust grievance redressal mechanisms, and whistle-blower systems that encourage transparent and responsible reporting of concerns. Through continuous monitoring, supplier engagement, and leadership commitment, Granules continues to strengthen its human rights performance and responsible workplace culture.

Key Actions

- Conducting periodic human rights risk and impact assessments across operations and value chain activities.
- Integrating human rights and labour compliance requirements into supplier onboarding and assessment processes.
- Strengthening awareness and training programs on human rights, diversity, inclusion, and ethical workplace practices.
- Maintaining accessible grievance redressal and whistle-blower mechanisms to encourage transparent reporting and timely resolution of concerns.
- Ensuring fair wages, non-discrimination, equal opportunity, and ethical labour practices across all locations.
- Expanding supplier audits and assessments covering labour practices and human rights compliance.
- Integrating human rights-related risks into enterprise risk management and governance processes.
- Promoting alignment with internationally recognized frameworks such as UNGC, UN-WEP, and SA8000 standards.

Highlights / Achievements

- Continued commitment to the principles of the United Nations Global Compact (UNGC) covering human rights, labour, environment, and anti-corruption.
- Became an official signatory to the UN-WEP (UN Women's Empowerment Principles), reaffirming commitment to gender equality and SDG 5.
- Achieved a Gold Rating in the first corporate-level EcoVadis Sustainability Assessment, placing Granules in the 97th percentile with an overall score of 79/100, including 74/100 in Labour and Human Rights.
- 100% of employees trained on the Code of Conduct, including human rights-related aspects.
- 100% of employees received wages above the minimum requirements prescribed under local labour laws.
- Over 90% of value chain partners assessed for selected human rights issues.
- All employees trained on whistle-blower mechanisms to support transparent reporting and responsible workplace practices.
- Successfully achieved SA8000 Social Accountability Compliance Certification across all sites, demonstrating commitment to ethical labour practices and responsible workplace management.

Principle 6 — Businesses should respect, protect, and make efforts to restore the environment

Granules is committed to minimizing its environmental footprint through responsible resource management, climate action, pollution prevention, and sustainable operational practices. The Company integrates environmental stewardship into its business strategy through ISO 14001-certified Environmental Management Systems across all manufacturing facilities and a strong focus on decarbonization, water stewardship, renewable energy adoption, and circular economy practices.

Granules has established a long-term commitment to achieve Net Zero emissions by 2050, with targets validated by the Science Based Targets initiative (SBTi) and aligned with the 1.5°C pathway. The Company continuously works toward reducing Scope 1, Scope 2, and value chain emissions through renewable energy sourcing, energy efficiency initiatives, waste valorization, sustainable manufacturing practices, and comprehensive Scope 3 inventory management.

The Company also focuses on advancing water neutrality, improving wastewater recycling, strengthening hazardous waste co-processing, and enhancing biodiversity and ecosystem stewardship initiatives. Recognition through global sustainability platforms such as CDP and EcoVadis reflects Granules' strong environmental performance and continued commitment towards responsible environmental management.

Key Actions

- Advancing the roadmap towards Net Zero emissions by 2050 in line with SBTi-approved targets and the 1.5°C pathway.
- Increasing renewable energy utilization across operations through PPAs, rooftop solar installations, biofuels, and I-RECs.
- Implementing energy efficiency and emission reduction initiatives across manufacturing operations.
- Advancing water stewardship and water neutrality initiatives through recycling, watershed assessments, and community interventions.
- Strengthening circular economy practices through waste minimization, co-processing, recycling, and landfill diversion programs.
- Expanding Scope 3 emissions assessment and value chain engagement using robust methodologies and relevant emission factors.
- Maintaining ISO 14001-certified Environmental Management Systems across all manufacturing facilities.
- Promoting biodiversity protection and ecosystem restoration through sustainable environmental management practices.

Highlights / Achievements

- Committed to achieving Net Zero emissions by 2050, with targets approved by the Science Based Targets initiative (SBTi) and aligned to the 1.5°C pathway.
- Achieved the CDP Climate Change A List 2025, progressing from C to B to A over three assessment cycles.
- Earned CDP ratings of B and B- in the first-time Water Security and Forests disclosures, respectively.
- Achieved an A List rating in CDP's Supplier Engagement Assessment (SEA) 2025, demonstrating strong climate engagement across the supply chain.
- Received a Gold Rating in the first corporate-level EcoVadis Sustainability Assessment, ranking in the 97th percentile with an Environment score of 78/100.
- Gagillapur and Bonthapally Unit-I facilities were recognized as Water Neutrality Aspiring Plants by the CII–Triveni Water Institute (CII–TWI) for completing baseline and watershed delineation studies and identifying community intervention opportunities.
- Gagillapur Unit achieved Zero Waste to Landfill (ZWTL) Certification with Platinum+ Rating, with over 99% waste diversion from landfill.
- Achieved 45.7% reduction in Scope 1 and Scope 2 absolute emissions compared to the FY23 baseline year.
- 98% of electricity consumption sourced from renewable energy through PPAs, rooftop solar, and I-RECs.
- 37% of total energy consumption sourced from renewable energy sources including biofuel, PPAs, rooftop solar, and I-RECs.
- 39% of wastewater generated was recycled during the reporting period.
- 83% of hazardous waste sent for co-processing.
- Completed comprehensive Scope 3 emissions inventory assessment using robust methodologies and relevant emission factors.
- 100% of manufacturing plants certified under ISO 14001 Environmental Management System.

Principle 7 — Businesses should engage in influencing policy responsibly

Granules is committed to engaging in public policy advocacy in a responsible, transparent, and ethical manner that supports sustainable industry growth and broader societal interests. The Company actively collaborates with industry associations, global forums, and regulatory platforms to contribute toward discussions on sustainability, pharmaceutical manufacturing, climate action, workplace safety, and responsible supply chain practices.

Granules' policy engagement activities are guided through a structured public advocacy framework that promotes transparency, accountability, and alignment with the Company's ESG priorities and values. Through active participation in industry bodies such as CII, PSCI, BDMAI, and global sustainability platforms, the Company contributes to sector-wide dialogue and knowledge sharing on responsible business practices and sustainable development.

The Company also engages with policymakers, industry experts, and value chain partners to support collaborative solutions on emerging environmental, social, governance, and pharmaceutical sector challenges. Through continuous participation in industry forums and sustainability discussions, Granules aims to contribute meaningfully toward responsible policy development and long-term industry resilience.

Key Actions

- Strengthening governance frameworks and policies guiding public advocacy and policy engagement activities.
- Promoting transparency and accountability in external engagements and policy advocacy initiatives.
- Aligning public policy engagement with ESG priorities, sustainability commitments, and responsible business practices.
- Participating in industry associations, global sustainability forums, and sectoral platforms to contribute toward collaborative policy discussions.
- Engaging with regulators, industry peers, and stakeholders on sustainability, climate action, workplace safety, and responsible pharmaceutical manufacturing practices.
- Expanding participation in global and industry initiatives related to responsible supply chains, decarbonization, and industrial innovation.
- Monitoring the impact and effectiveness of advocacy and engagement initiatives through continuous stakeholder interactions and industry collaborations.

Highlights / Achievements

- Member of the British Safety Council (BSC) and the National Safety Council of India (NSCI), reinforcing commitment toward workplace health and safety excellence.
- Developed a formal Public Advocacy Policy to guide responsible policy engagement and advocacy activities.
- Became a Founding Member of the Centre for Fourth Industrial Revolution (C4IR) – World Economic Forum.
- Represented Granules at CPHI Milan with a presentation on "Sustainable Futures: Navigating the Scope 3 Challenge – Zero Carbon Molecules in Pharma's Decarbonization Journey," highlighting strategies to reduce value chain emissions in the pharmaceutical sector.
- Active member of the Bulk Drug Manufacturers Association of India (BDMAI), engaging with industry peers and government bodies on pharmaceutical industry matters.
- Member of the Pharmaceutical Supply Chain Initiative (PSCI) and the Confederation of Indian Industry (CII), supporting responsible and sustainable industry practices.

Principle 8 — Businesses should promote inclusive growth and equitable development

Granules is committed to creating long-term social value through inclusive and impactful community development initiatives aligned with national priorities and the Sustainable Development Goals (SDGs). The Company's CSR approach focuses on healthcare, education, skill development, livelihood enhancement, environmental sustainability, sports, and community well-being, particularly in underserved and rural communities.

Granules continuously engages with local communities and stakeholders to identify key development needs and implement meaningful interventions that improve quality of life and promote equitable growth. The Company's flagship initiatives, including the Pharma Pathashala program and healthcare outreach initiatives, are designed to enhance employability, improve healthcare access, support education, and drive sustainable community development.

Granules also collaborates with academic institutions, foundations, NGOs, and social organizations to strengthen the reach and impact of its CSR programs. Through strategic partnerships, structured impact assessment, and continuous community engagement, the Company aims to create shared value and contribute towards inclusive socio-economic progress.

Key Actions

- Expanding CSR initiatives across healthcare, education, livelihood development, environmental sustainability, and community welfare.
- Strengthening impact monitoring and evaluation mechanisms to assess program effectiveness and long-term outcomes.
- Collaborating with NGOs, educational institutions, healthcare organizations, and community partners to enhance program reach and effectiveness.
- Aligning CSR initiatives with business strengths, sustainability priorities, and relevant SDGs.
- Enhancing livelihood development, employability, and skill-building initiatives for rural youth and underserved communities.
- Supporting healthcare access, preventive care, and awareness programs for vulnerable populations.
- Promoting environmental awareness and sustainable community practices through plantation drives and eco-friendly initiatives.
- Encouraging education, research, sports, and cultural development through targeted community support programs.

Highlights / Achievements

- Honoured with the "Best CSR Initiative" Award for its exemplary work in breast cancer screening and awareness in rural communities at the Indian Social Impact Awards held in New Delhi.
- About 3,677 free consultations were provided to women in rural areas through our state-of-the-art mobile breast cancer screening unit, "Breast Health Express," along with 1,769 mammograms and 395 ultrasounds.
- During the current year, more than 150 beneficiaries were trained in pharmaceutical skills through Granules Pharma Patashala, a program implemented in collaboration with Swarna Bharath Trust. Since its inception in 2017, the initiative has trained over 1,600 rural youth.
- 4 Vidya Volunteers were appointed in government schools to address teaching staff gaps, improving learning outcomes for over 600 students.
- 1,030 TB patients in Bhadradri Kothagudem District were provided with free nutrition kits for six months to support and aid their recovery process.
- Over 100 students benefited from the infrastructural transformation of the Government Boys BC Hostel at Parawada in Anakapalli district, Andhra Pradesh.
- 20 aspiring UPSC candidates from economically weaker sections were supported with scholarships to continue their preparation.
- About 70 government school students were provided with mentorship and tuition classes in collaboration with PSS Trust to improve their learning outcomes.
- Over 300 differently abled students were provided with comprehensive education (school) kits, strengthening their access to quality learning resources and supporting their academic progress
- Over 6,000 eco-friendly clay idols were distributed to communities around our manufacturing units to promote environmentally responsible festival celebrations.
- 150 units of blood were collected through a blood donation drive to support cancer patients at a government hospital.
- A total of 4 lakh water bottles were distributed during large crowd gatherings to support access to safe drinking water.
- Around 40 underprivileged children from single-parent households in Khammam district are supported through education and nutrition assistance under Project Alambana, in collaboration with Rose Charitable Trust.
- Around 300 students at ZP High School, Jinnaram, Telangana, are supported through mid-day meals in collaboration with Akshaya Patra to enhance nutrition, improve learning outcomes, and promote regular school attendance.

- In collaboration with the Heartfulness Institute, Granules conducted the 4th edition of the Granules Green Heartfulness Run (Half Marathon), engaging over 100,000 participants, while also supporting the plantation of 18,000+ native trees as part of the initiative.
- Over 5,000 participants were engaged through the Examthon Marathon in collaboration with College Mentor to promote stress-free education and student well-being.
- Over 2,900 children across 23 government schools in Gummadidala Mandal were covered through eye screening camps conducted in collaboration with LV Prasad Eye Institute (LVPEI), with spectacles provided to those identified with vision issues to improve their vision health.
- Supported Mr. Yaswant Naik, a young mountaineer, in his expedition to summit Mount Reo Purgyil (6,816 meters), reflecting a commitment to encouraging talent and promoting sports development.
- In collaboration with NIPER, Mohali, established the Dr. Chigurupati Centre of Excellence to advance innovative and sustainable pharmaceutical research while fostering future scientific talent.
- Supported IIT Hyderabad in establishing a Chair Professorship to advance research on innovative processes.
- Extended support to the Messi GOAT Tour, fostering youth engagement in sports and promoting a culture of fitness and active lifestyles.
- Supported Hrudaya Cure a Little Heart Foundation in facilitating heart surgeries for underprivileged children.
- Supported the Hyderabad Literary Festival to promote art, literature, and cultural engagement.
- Supported the Telangana Life Sciences Foundation in promoting skill development initiatives within the pharmaceutical and life sciences sectors.

Principle 9
Businesses should engage with and provide value to consumers responsibly

Granules is committed to delivering safe, high-quality, and reliable pharmaceutical products while maintaining transparency, responsiveness, and trust with customers and consumers. The Company follows robust quality management systems, SOP-driven operational processes, and stringent regulatory compliance practices to ensure product safety, efficacy, and consistency across its portfolio.

Granules maintains a strong focus on customer satisfaction through effective complaint management systems, continuous engagement, and timely resolution mechanisms. The Company also promotes responsible product stewardship by providing relevant information on product usage, environmental impact, and safe disposal practices.

To strengthen consumer trust and operational resilience, Granules has established strong data privacy and cybersecurity controls aimed at safeguarding sensitive information and preventing data breaches. Through continuous improvement initiatives, digital integration, and responsible business practices, the Company remains committed to creating sustainable value for customers and consumers globally.

Key Actions

- Strengthening product quality, safety, and pharmacovigilance systems across operations and value chain activities.
- Enhancing customer grievance redressal and feedback management mechanisms to improve responsiveness and satisfaction.
- Ensuring timely investigation and closure of customer complaints through structured quality systems and CAPA processes.
- Promoting transparency through product-related disclosures on safe usage, environmental impact, and disposal practices.
- Strengthening cybersecurity, data privacy, and information protection frameworks to safeguard customer and business information.
- Leveraging digital systems and analytics to improve product traceability, customer insights, and operational efficiency.
- Conducting regular monitoring and continuous improvement initiatives to enhance product stewardship and customer engagement practices.
- Maintaining compliance with applicable pharmaceutical quality, safety, and regulatory standards across all operations.

Highlights / Achievements

- 100% of customer complaints were resolved within defined timelines, with no complaints pending at year-end.
- 100% of products include information related to environmental impact, safe usage, and disposal practices.
- Reported zero data breaches or privacy incidents during the reporting period.
- Received the Sustainability Award at Haleon's Winning Together – Supplier Summit 2026, recognizing progress in environmental sustainability and responsible pharmaceutical manufacturing.
- Received a "Mature" rating from GSK for the Gagillapur and Bonthapally Unit-1 sites in the Water Stewardship Questionnaire, reflecting strong alignment of water targets with expectations and continued commitment towards effective water stewardship practices.
- Achieved SEDEX Supplier Plus Certification, demonstrating strong performance across social, environmental, and responsible sourcing practices within the supply chain

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	2025-26
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	₹ 247.8 (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, 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	6 manufacturing plants & 4 R&Ds	1	11
International	0	0	0

Plants in India	Location
Finished Dosage Unit	160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District- 500043, 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?

92.10% 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 six state-of-the-art manufacturing facilities, with four located in Hyderabad, Telangana, and two in Visakhapatnam, Andhra Pradesh. These facilities hold regulatory approvals from esteemed agencies such as the US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, KFDA, 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, 2026

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)	4306	3842	89%	464	11%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total Employees (D+E)**	**4306**	**3842**	**89%**	**464**	**11%**
	WORKERS					
1.	Permanent(F)	0	0	0	0	0
2.	Other than Permanent (G)	2217	1760	79%	457	21%
3.	**Total Workers (F+G)**	**2217**	**1760**	**79%**	**457**	**21%**

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)	NA	NA	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	11	3	27%
Key Management Personnel*	6	3	50%

*Key Management Personnel comprise of Managing Director, Executive Directors, Chief Financial Officer, and Company Secretary

Dr. Kandiraju Venkata Sitaram Rao ceased to be Joint Managing Director & CEO of the Company with effect from August 01, 2025.

22. Turnover rate for permanent employees and workers:

Particulars	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25%	21%	25%	31%	21%	30%	25%	16%	25%
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 Pharmaceuticals, Inc. (GPI)	Subsidiary	100%	No
2	Ascelis Peptides Private Limited	Subsidiary	100%	No
3	Granules Life Sciences Private Limited	Subsidiary	100%	No
4	Granules CZRO Private Limited	Subsidiary	100%	No
5	Granules Pharmaceuticals, GMBH	Subsidiary	100%	No
6	Granules Consumer Health LLC (GCH)	Step down subsidiary	100%	No
7	Granules Pharmaceuticals Canada, Inc.	Step down subsidiary	100%	No
8	Senn Chemicals AG	Step down subsidiary	100%	No

Note : Granules Pharmaceuticals GMBH, Germany and Granules Pharmaceuticals Canada Inc., Canada were both incorporated in November 2025.

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

a) Turnover (in ₹): ₹ 34,740 million

b) Net worth (in ₹): ₹ 43,991 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 2025-26			FY 2024-25		
		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	3	0	-	2	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	630	0	-	580	0	-
Value Chain Partners	Yes	0	0	-	0	0	-

All factory units have a Grievance redressal committee to redress individual grievances.

- **Communities:** Community members may raise grievances by submitting written complaints to the HR Manager of the respective units. These concerns are addressed by the Plant Head in coordination with relevant stakeholders, while Unit Administration ensures timely resolution of all community grievances. No significant concerns have been reported to date.
- **Investors/Shareholders:** The Stakeholders Relationship Committee reviews and addresses key aspects of shareholder interests, ensuring effective and transparent investor relations. It oversees the mechanisms established for resolving investor grievances in a timely manner. Granules has also implemented a comprehensive Investor Grievance Redressal Policy, which clearly defines the procedures and protocols for addressing investor concerns efficiently and promptly.

  https://granulesindia.com/wp-content/uploads/2022/03/Investor-Grievance-Redressal-Policy.pdf
- **Employees:** Granules has established strong internal mechanisms to address grievances related to human rights concerns effectively. Employees and stakeholders are encouraged to report any suspected violations through multiple channels, including their immediate managers, Head of Department, Unit HR Manager, or the Compliance Officer. While employees are generally encouraged to raise concerns with their managers, alternative reporting avenues are available for those who may feel uncomfortable doing so. This approach ensures that all concerns are addressed promptly and in line with the Company's commitment to ethical conduct, transparency, and accountability.
- **Customers:** All customer complaints received were resolved within the timeframes defined in the Quality Standard Operating Procedures, with necessary improvements incorporated into processes. The Company also ensures that no complaints remain 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 fostering transparent and mutually beneficial relationships with our value chain partners. A comprehensive grievance redressal mechanism is in place to ensure timely and effective resolution of concerns. Downstream grievances are managed by the Marketing team, while upstream grievances are addressed by the Supply Chain Management team.

  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 management and mitigation, aligned with its long-term net zero ambition. During the reporting year, the Company strengthened its GHG emissions estimation across Scope 1, 2, and 3 categories, supported by an enhanced supplier sustainability program to improve upstream data and engagement. Focused initiatives on energy efficiency across manufacturing operations, along with increased adoption of renewable energy and energy optimisation measures, have contributed to reducing overall emissions. Additionally, the Company is adopting the biofuels consumption to lower Scope 1 emissions, further supporting its decarbonisation pathway while integrating climate considerations into core business processes.	Negative in the short term and positive in the Long-Term.

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)
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 maintain Zero Liquid Discharge (ZLD) systems and Effluent Treatment Plants equipped with RO recovery to ensure effective treatment of effluents, minimising environmental impact and maximising resource reuse. Treated water is recycled back for utility makeup, reducing freshwater intake. Our dependence on groundwater has been lowered through conservation measures such as rainwater harvesting, recycling, and effluent treatment. We have also initiated greywater sourcing to further optimise water use. In addition, the Gagillapur and Bonthapally Unit–I facilities have completed baseline and watershed delineation studies with CII–TWI, identified community intervention opportunities, and have been recognized as Water Neutrality Aspiring Plants, supporting Granules' goal of achieving water neutrality by 2032.	Positive
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.	Our Gagillapur unit has achieved ZWTL Platinum certification with over 99% waste diversion, while overall waste diversion across all units exceeds 90%. Under our clean manufacturing practices, all solid waste generated at our facilities is directed for co-processing in cement industries or managed through authorized vendors. Both hazardous and non-hazardous wastes are segregated at source and stored in designated areas within the facilities. Hazardous waste is handled category-wise and disposed of through Pollution Control Board-authorized facilities in compliance with regulatory requirements. Nearly all non-hazardous waste is sent to authorized recyclers, ensuring an efficient and responsible waste management system. Granules is also a registered member under the Extended Producer Responsibility (EPR) framework, reinforcing its commitment to sustainable waste management by ensuring environmentally sound collection, recycling, and disposal of post-consumer waste.	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.	Employee well-being and engagement remain key priorities at Granules. The Company conducts regular health awareness initiatives, along with meditation and stress management sessions led by experienced professionals to support holistic wellness. Granules has partnered with the "Previa" platform to provide employees with access to comprehensive healthcare services, including 24×7 doctor consultations, concessional health check-ups, medicine delivery, and fitness resources such as gym access. Annual health check-ups and health insurance coverage are also extended to all employees. At Granules India, the engagement approach is anchored in open communication, inclusivity, and continuous feedback. Regular town halls, leadership interactions, and structured engagement surveys help capture employee sentiments, address concerns, and ensure alignment with organisational values. Contributions are recognised through various reward and recognition programs that celebrate individual and team achievements. The Company also promotes a supportive and growth-oriented workplace through wellness initiatives, learning and development opportunities, and internal mobility pathways, enabling employees to grow both personally and professionally while maintaining a healthy work-life balance.	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)
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 are committed to upholding high standards of Environment, Health & Safety (EHS) and sustainability, supported by an Occupational Health and Safety Management System certified to ISO 45001:2018. To strengthen safety performance, regular third-party audits are conducted through reputed agencies. All manufacturing facilities are equipped with Occupational Health Centres and provide round-the-clock medical support. A Night Manager system has also been introduced to enhance safety oversight during night operations. Employees receive regular training on applicable health and safety guidelines and are encouraged to report unsafe conditions, acts, or near misses to functional heads. We conduct periodic internal risk assessments, process risk analyses, and HAZOP studies to proactively identify and mitigate potential hazards. These assessments evaluate risks related to incidents such as fires, chemical spills, and equipment failures, considering both technical safeguards and operating conditions. Additionally, third-party experts are engaged to carry out fire and electrical safety audits, ensuring a robust and comprehensive safety management framework.	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. Training Grass-Root employees on the Fundamentals of Unit Operation in Manufacturing and Quality Control is being done. Role- based training on guidelines and standards is being initiated for managers engaged in pharmaceutical manufacturing. In addition, learning and development programs span across all levels; from leadership to shop-floor workers: comprising both digital and in-person sessions to support continuous professional and personal growth.	Positive
7	Business Ethics and Integrity	Risk	Business integrity breach can hamper the Company's credibility and affect Brand image.	Our Code of Conduct extends to all stakeholders, including employees, suppliers, contractors, NGOs, and business partners, reinforcing our commitment to ethical and responsible business practices across the value chain. We actively discourage any form of unfair trade practices, misleading or irresponsible advertising, and anti-competitive behaviour. To uphold these standards, the Company has established robust policies and procedures that guide transparent, fair, and compliant business conduct. These include clear guidelines on ethical decision-making, conflict of interest management, responsible sourcing, and adherence to applicable laws and regulations. Regular awareness and communication initiatives are undertaken to ensure that all stakeholders understand and align with these expectations. Through these measures, Granules ensures that its operations are conducted with integrity, accountability, and respect for all stakeholders, thereby strengthening trust and long-term relationships.	Negative
8	Data Privacy and Cyber Security	Risk	Threat of Cyber Attacks resulting in loss of reputation and business continuity.	Inadequate data integrity and security frameworks can result in a higher risk of data breaches and potential loss of critical information. To address this, the Company has been implementing a range of mitigation measures over time and continues to strengthen its systems to safeguard data effectively. 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

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

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/ https://granulesindia.com/sustainability/								
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								

4. Name the national and international codes/ certifications/ labels/ standards

Principle 1	Quality Management System (ISO 9001:2015) Implementation of ISO 37001 is progressing, with Stage 1 audit completed, strengthening anti-bribery management practices.
Principle 2	Integration of ISO 20400 principles is progressing, with Stage 1 audit completed, strengthening sustainable procurement practices.
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 have Completed SA8000 Social Accountability Compliance certification across all our sites, demonstrating our commitment to responsible and ethical workplace practices.
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	Our CSR initiatives are aligned with UN SDGs, UNGC, WEP, and PSCI principles, addressing key community needs across health, education, livelihood, environmental sustainability, and social inclusion, while promoting ethical practices and inclusive development.
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 Q2 2027 for Andhra Pradesh Units. ▸ Achieve 30% overall biofuel usage in boiler operations across units. ▸ Achieve >90% waste diversion from landfill across all operations. ▸ Implement projects based on the Water Positivity roadmap developed for 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

Governance Targets	**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 **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 continue to demonstrate a growing commitment to sustainable energy practices. In FY26, renewable energy consumption increased by nearly 72%, rising from 213.24 TJ in FY25 to 366.30 TJ. This shift resulted in 37% of the total energy (Coal + Electricity) being sourced from renewables (Biofuel, Renewable power), a significant step forward in our decarbonization journey. • % of Renewable Energy share of consumed Electricity is 98% in FY26 which is notably increased from base year where it was 9.8% in FY23. • Despite an increase in overall energy consumption (from 881.18 TJ to 990.10 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) declined from 0.0176 TJ in FY25 to 0.0172 TJ in FY26.
Emissions	• Since our base year (FY23), we have achieved a 45.7% reduction in total Scope 1 and Scope 2 (market-based) emissions; bringing it down from 112,571 tCO_2e in FY23 to 61,136 tCO_2e in FY26. This includes an 19.8% 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 1285 tCO_2e in FY 26, showing our shift towards greener electricity sources.
Water	• Specific water consumption improved from 4.33 KL/MT in FY25 to 4.16 KL/MT in the current year, reflecting enhanced operational efficiency. • 39% of the wastewater generated is recycled, reinforcing our commitment to sustainable water management and circular practices.
Waste	• Around 83% 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

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 Limited, sustainability remains deeply embedded in our business philosophy and strategic direction, anchored in our purpose of "Healing lives responsibly through pioneering green science." During the reporting period, we continued to strengthen our Environmental, Social, and Governance (ESG) performance, while proactively responding to evolving regulatory frameworks, stakeholder expectations, and operational challenges.

Granules India Limited achieved inclusion in the CDP Climate Change 'A List' (2025), marking a consistent progression from C to B to A over three disclosure cycles and reflecting strong climate governance and performance. The Company also expanded its environmental disclosures by participating in CDP's Water Security and Forests assessments for the first time, securing ratings of B and B-, respectively.

We are pleased to have secured an 'A List' rating in CDP's Supplier Engagement Assessment (SEA) 2025), reflecting our strong commitment to embedding climate accountability across our supply chain and actively engaging suppliers in sustainability aligned practices.

Additionally, our S&P Global ESG Score of 62 (out of 100) provides independent validation of our performance across environmental, social, and governance dimensions, underscoring the effectiveness of our integrated and holistic approach to sustainability.

Our long-term climate strategy continues to be anchored in our Net Zero target for 2050, validated by the Science Based Targets initiative (SBTi) and aligned with the 1.5°C pathway. This validation reinforces our structured, science-based approach to decarbonisation and underlines our commitment to transitioning towards a low-carbon future.

Granules achieved a Gold rating in its first corporate-level EcoVadis assessment, ranking among the top 5% of companies globally with a score of 79/100 (97th percentile), reinforcing its commitment to sustainable and responsible business practices.

On the environmental front, the Gagillapur and Bonthapally Unit–I facilities have been recognized as Water Neutrality Aspiring Plants, based on baseline assessments and watershed delineation studies carried out in collaboration with CII–TWI, supporting our 2032 Water Neutrality goal.

Additionally, the Gagillapur unit has attained Zero Waste to Landfill (ZWTL) Platinum certification with a diversion rate exceeding 99%, reflecting our strong commitment to circular resource management and sustainable operations.

Granules became an official signatory to the UN Women's Empowerment Principles (UN-WEP), reinforcing its commitment to gender equality and alignment with SDG 5. The Company also joined the Pharmaceutical Supply Chain Initiative (PSCI) as a Supplier Partner. Granules continues its participation in the United Nations Global Compact (UNGC), upholding its ten principles on human rights, labour, environment, and anti-corruption. Memberships with the British Safety Council (BSC) and the National Safety Council (NSC) further strengthen occupational health and safety governance across operations.

During the year, Granules achieved Sedex Supplier Plus certification, reflecting strong performance across ethical, environmental, and responsible sourcing practices within its supply chain. The Company was also recognized by customers at Haleon's Winning Together Supplier Summit 2026 with a Sustainability Award, acknowledging its measurable progress in environmental sustainability and commitment to responsible pharmaceutical manufacturing.

Our Supplier Sustainability Programme continues to progress, focusing on strengthening ESG alignment across the value chain through enhanced supplier engagement, assessments, and capacity-building initiatives. The programme is aimed at driving transparency, accountability, and continuous improvement in supplier sustainability performance.

We further strengthened our ESG data management capabilities to enhance transparency, accuracy, and accountability, while ensuring alignment with global frameworks including GRI, TCFD, and the UN SDGs. The implementation of a centralized ESG data portal and digital dashboards is enabling improved data consistency, real-time monitoring, and effective oversight across all locations.

Looking ahead, we remain committed to further integrating sustainability into our core business processes, driving innovation, and strengthening organizational resilience. While areas such as Scope 3 emissions measurement, waste circularity, and evolving regulatory requirements continue to present challenges, we view them as opportunities to enhance our leadership in responsible and purpose-driven growth. With a clear strategic direction and strong organisational commitment, we are well positioned to deliver sustainable, long-term value for all our 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.

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.

P1	P2	P3	P4	P5	P6	P7	P8	P9
Y	Y	Y	Y	Y	Y	Y	Y	Y

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. Here we provide 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, awareness programmes and Abundance Longevity 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)	5	Goal Setting FY'25-26_ Generative Leadership, POSH, Master class on ex strategy, GPTW survey findings & action plan, Team Building- Finance & Accounts	100%
Employees other than BoD and KMPs	38	First Time Leader, Team Building outbound - F&A, COBC, POSH, Insider Trading, Whistle Blower Policy, Cyber Security, DPDPA, Standing Orders, Emotional Intelligence, GIL Mission, Vision, Values & Motivation, Audit Readiness, Legal SOP Awareness, GPTW Insights & action plan, Arth Sakhi - Finance Acumen, Accountability, AI & Digitalization - Copilot, ChatGPT, Productivity Improvement, Time Management, Organization Skills, Strategic Thinking, Decision Making, Leadership Accountability, Phased Induction, Strategic Leadership for Exponential Business Growth, Mercer Mash 2025 round table, QbD for API development, Technical training at ACG labs, Bootcamp on pharma biopharma industry orientation, RCA, Safety, First aid	94%
Workers	7	Standing Orders, POSH, Human Rights, Major labour laws &acts, COBC, DPDPA, Cyber Security	91%

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 H)	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:

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	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:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	133 days	160 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	FY 2025-26	FY 2024-25
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	0.96%	0.79%
	Number of dealers /distributors to whom sales are made	3	2
	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)	6.05%	4.93%
	Sales (Sales to related parties / Total Sales)	54.10%	46.54%
	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	Investments (Investments in related parties / Total Investments made)	99.9%	99.9%

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 thereporting year	• Supplier Code of Business Conduct • ESG Practices	90% of Value chain partners

We conduct periodic assessments covering 100% of our suppliers for key categories such as Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs), excipients, raw materials, intermediates, and packaging materials, in line with our Vendor Management Procedure. These evaluations encompass critical ESG and CSR parameters, including governance structures, wage and payroll practices, compliance with statutory benefits (PF, ESI, gratuity), health and safety standards, emergency preparedness, chemical handling and storage, as well as waste and wastewater management practices.

As part of our Supplier Sustainability Program and other formal interactions, we engaged with key suppliers through structured surveys during the financial year to strengthen ESG collaboration. This included our Scope 3 GHG assessment, wherein suppliers were requested to provide detailed data on their manufacturing processes, energy and fuel consumption, Scope 1, Scope 2, and Scope 3 emissions, along with product carbon footprint information for materials supplied to Granules India.

Granules has implemented a robust Supplier Sustainability Program, engaging over 85% of its suppliers (by purchase spent) to align with shared sustainability goals. As part of this initiative, the suppliers have acknowledged the program and designated a Single Point of Contact (SPOC) to ensure effective coordination. To evaluate ESG maturity, a comprehensive supplier survey was conducted, assessing key areas such as policies, governance practices, sustainability targets, ongoing initiatives, certifications, and regulatory compliance. A substantial number of suppliers have completed the assessment, reflected strong participation and reinforced our commitment to building a responsible, transparent, and sustainable supply chain. So far, 82% 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.

	FY 2025-26	FY 2024-25	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 collaboration.
CAPEX	8.60%	8.80%	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 have 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)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.

The studies were performed in accordance with ISO 14040 and ISO 14044 for Life Cycle Assessment and, ISO 14067 for Product Carbon Foot printing. The assessments considered relevant life cycle stages within the defined system boundaries and utilized a combination of primary operational data and secondary life cycle inventory datasets from recognized databases.

The assessments help to quantify environmental impacts across the product life cycle, identify environmental hotspots, and support informed decision-making for sustainability improvement initiatives. Detailed technical reports have been prepared separately and are maintained by the Company for internal reference and stakeholder requirements.

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.
21002	Paracetamol API Metformin HCl Guaifenesin API	≈65%	Cradle-to-Gate	Yes (Sustech Technocomm Pvt. Ltd.,)	Yes , https://granulesindia.com/sustainability/

Note: The percentage mentioned above indicates the PFI and FD stages of the Products (API) referenced above

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
No ,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	
	FY 2025-26	FY 2024-25
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 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed (Metric Tonnes)	Re-Used	Recycled	Safely Disposed (Metric Tonnes)
Plastics includingpackaging	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 prioritizes employee well-being through a wide range of structured initiatives designed to support overall health and quality of life. The organisation ensures comprehensive coverage for its workforce through group medical insurance, ESI benefits, and a Group Personal Accident policy, which also includes maternity and paternity support.

Strategic partnerships with reputed healthcare providers such as AIG, Apollo, and Star Hospitals enable the delivery of expert-led health awareness programmes and facilitate access to professional medical consultations at concessional terms. The Company also conducts regular initiatives on mental wellness, ergonomics, and workplace health, including specialised programmes focused on women's health, complemented by periodic free medical check-ups to strengthen preventive care practices.

Further enhancing its preventive healthcare approach, Granules has collaborated with Previa to implement structured pre-employment and annual health assessments. Comprehensive health camps covering key screenings; including vision, dental, and cardiac health are conducted periodically, alongside quarterly awareness drives to promote informed health choices. Sessions on yoga, mindfulness, and stress management are also organised to strengthen psychological well-being.

In addition, the Company is working on deploying a digital wellness platform to enable integrated health monitoring, offering features such as individual health scoring, data-driven insights, fitness recommendations, and personalised nutrition guidance.

To encourage active lifestyles, Granules regularly organises engagement initiatives such as yoga programmes, walking challenges, and step-based activities, fostering a culture that supports physical fitness, inclusivity, and overall employee well-being.

Category	Total (A)	% Of employees covered by: Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	3842	3842	100%	3842	100%	NA	NA	3842	100%	3661	95.2%
Female	464	464	100%	464	100%	464	100%	NA	NA	415	89.4%
Total	4306	**4306**	**100%**	**4306**	**100%**	**464**	**100%**	**3842**	**100%**	**4076**	**94.6%**
OTHER THAN PERMANENT EMPLOYEES											
Male	Not Applicable										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	Total (A)	% Of workers covered by: Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (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 –

	FY 2025-26	FY 2024-25
Cost incurred on wellbeing measures as a % of total revenue of the company	0.36%	0.44%

Note: FY 24-25: INR 134.24 million was spent towards employee well-being during the reporting period, which includes expenditure on insurance premiums.

Note: FY 25-26: INR 126.24 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 2025-26			FY 2024-25		
	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted & deposited with the authority (Yes/No/N.A.)	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted & deposited with the authority (Yes/No/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	12%	99%	Yes	19%	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 committed to providing equal employment opportunities and makes all employment decisions based on merit, with the objective of attracting and retaining the best talent for every role. The Company has established an internal Equal Opportunity Policy and reinforces its commitment through its Code of Conduct.

Granules strictly prohibits any form of unlawful discrimination on the basis of 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 characteristic protected under applicable laws. This prohibition extends to perceived attributes or association with individuals possessing such characteristics.

The Company remains fully committed to compliance with all applicable laws and ensures a workplace free from discrimination. This commitment applies to all individuals associated with its operations and mandates that all employees, including supervisors and co-workers, uphold these principles.

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		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	87%	NA	NA
Female	100%	100%	NA	NA
Total	100%	88%	NA	NA

Note: In FY 25-26, a total of 178 male employees availed paternity leave, of which 23 employees left the organization by the end of the year. And 14 female employees took maternity leave, and all of them were retained. And 100% of both male (178) and female (23) 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 2025-26			FY 2024-25		
	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 2025-26					FY 2024-25				
	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	3842	3842	100%	3465	90%	3684	3684	100%	2986	81%
Female	464	464	100%	428	92%	382	382	100%	331	86%
Total	**4306**	**4306**	**100%**	**3893**	**90%**	**4066**	**4066**	**100%**	**3317**	**81%**
WORKERS										
Male	1760	1760	100%	1589	90%	1699	1699	100%	180	10.5 %
Female	457	457	100%	423	93%	401	401	100%	45	11.2 %
Total	**2217**	**2217**	**100%**	**2012**	**91%**	**2100**	**2100**	**100%**	**225**	**10.7 %**

9. Details of performance and career development reviews of employees and workers.

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees*						
Male	3842	3296	86%	3684	3093	84%
Female	464	310	67%	382	281	74%
Total	**4306**	**3606**	**84%**	**4066**	**3374**	**83%**
WORKERS						
Male	Not Applicable**			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 2025.

**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?

Granules India Limited maintains a strong focus on upholding high standards of Environment, Health, and Safety (EHS) as a critical enabler of sustainable operations. Recognising that any shortcomings in EHS performance can result in regulatory non-compliance, reputational risks, and potential business disruptions, the Company continues to strengthen its systems and governance frameworks to safeguard long-term value creation.

During the year, the EHS policy was revised to reflect strengthened management commitment, supported by a structured implementation framework incorporating defined KPIs, targets, and corporate-level procedures covering critical areas such as process safety, contractor safety, electrical safety, mission safety, and rehabilitation and return-to-work protocols. A robust review and monitoring mechanism has also been instituted to assess the effectiveness of OHS standards and drive continuous improvement across all sites.

Our commitment is reinforced through an ISO 45001:2018 certified Occupational Health and Safety Management System, implemented across all our manufacturing and R&D locations at Gagillapur, Jeedimetla, Bonthapally, Pragati Nagar, Genome Valley & Visakhapatnam. Dedicated Occupational Health Centres (OHCs) at these sites support a safe and healthy work environment, led by specialized teams focused on continuously enhancing occupational health and safety practices.

To further support employee well-being, full-time doctors are available at each manufacturing location, supported by round-the-clock onsite nursing assistance to ensure timely medical care and emergency response.

Through these integrated measures, Granules reinforces its commitment to protecting workforce health and safety, ensuring environmental compliance, and promoting responsible and sustainable operations, thereby strengthening stakeholder trust and organisational resilience.

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 Risk Assessments & HAZOP studies for new products and projects 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.
- 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.
- Conduct early-stage risk identification (HAZID) during conceptual planning, engineering design, and process development.
- Use structured risk assessment techniques like HIRA, JSA, HAZOP, FMEA for all operations, especially high-risk and non-routine tasks.
- Apply the Hierarchy of Controls, prioritizing robust engineering solutions for inherently safer operations.
- Integrate EHS requirements into design reviews, approvals, and Management of Change (MOC) processes.
- Verify and authorize implementation of required risk controls before Verify and authorize implementation of required risk controls before
- Conduct systematic audits to evaluate the effectiveness of risk-control
- Use incident trends, audit findings, and near-miss data to continually improve risk assessments and engineering controls.

c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)

Granules has implemented robust Standard Operating Procedures (SOPs) to enable employees and workers to effectively identify, report, and mitigate work-related hazards. A structured safety observation and interaction programme is in place to capture near misses, unsafe acts, and unsafe conditions, supported by safety dashboards that facilitate continuous monitoring and management of workplace risks.

Comprehensive occupational health and safety training is provided to all employees and workers, covering hazard identification, risk assessment methodologies, and appropriate mitigation measures. These programmes ensure a strong understanding of workplace risks and reinforce proactive safety practices.

Emergency preparedness is strengthened through regular evacuation drills, where employees are trained in the use of critical safety equipment, including fire hydrants, firefighting systems, spill and leak control mechanisms, and alarm systems. These initiatives equip employees with the knowledge and confidence to report hazards promptly and respond effectively to potential emergencies.

Granules also ensures active integration of contractors into EHS communication frameworks, including safety meetings, awareness programmes, and training initiatives. EHS awareness is further reinforced through the use of visual boards, digital displays, posters, and video-based communication across facilities. The Company fosters a culture of openness by encouraging employees and contractors to report concerns and suggest improvements without fear of retaliation, thereby strengthening overall safety governance and continuous improvement.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Granules extends non-occupational healthcare support to its employees through a range of medical services. The Company provides comprehensive group medical insurance coverage for employees and their dependents, ensuring access to quality healthcare. Contract employees are covered under the Employee State Insurance (ESI) scheme, enabling access to statutory health benefits.

11. Details of safety-related incidents:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0	0.11
	Workers	0	0.14
Total recordable work-related injuries*	Employees	6	6
	Workers	3	20
No. of fatalities	Employees	0	0
	Workers	0	0
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.

Granules is committed to advancing sustainable development while upholding high standards of health and safety across its operations. The Company conducts its activities in a manner that minimizes any adverse impact on people, the environment, and surrounding communities, while ensuring full compliance with all applicable environmental, health, and safety regulations.

The EHS management system at Granules is aligned with globally recognised frameworks, including ISO 45001:2018, OSHA standards, the Factories Act, and relevant state-level regulatory requirements. These principles are embedded across operations to ensure a structured and consistent approach to managing health and safety risks.

The internal EHS policy emphasizes the provision of a safe and secure working environment for all employees and contractors. Regular internal and external audits are undertaken to evaluate the effectiveness of safety practices and their alignment with the EHS framework and ISO 45001:2018 standards. These assessments help identify critical areas requiring corrective actions and drive the implementation of appropriate mitigation measures.

Additionally, employees are provided with regular training to enhance awareness of health and safety requirements, enabling them to identify and report unsafe conditions, behaviours, or incidents promptly to the designated authorities within the organization.

- 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 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.
- During the year, the EHS policy was revised to reflect strengthened management commitment, supported by a structured implementation framework incorporating defined KPIs, targets, and corporate-level procedures covering critical areas such as process safety, contractor safety, electrical safety, mission safety, and rehabilitation and return-to-work protocols.
- A robust review and monitoring mechanism has also been instituted to assess the effectiveness of OHS standards and drive continuous improvement across all sites.

13. Number of complaints on working conditions and health and safety made by employees and workers.

Employees and workers are encouraged to proactively report any concerns related to Unsafe Conditions, Unsafe Acts, Near Miss incidents, and provide suggestions for improvement through established communication channels. These include Safety Committees, Suggestion Schemes (SS), Townhall meetings, and other relevant forums available within the organization. This approach promotes a transparent reporting culture and enables timely identification and resolution of workplace health and safety issues.

All reported concerns related to Unsafe Conditions, Unsafe Acts, Near Miss incidents, and suggestions are promptly reviewed and addressed through a structured resolution process. The concerned teams evaluate the issue, identify root causes, and implement appropriate corrective and preventive actions within defined timelines, ensuring closure and feedback to the reporter wherever applicable.

Category	FY 2025-26			FY 2024-25		
	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 and Health & Safety	27,701	Nil	All complaints are resolved and closed within defined timelines.	24,780	Nil	All complaints are resolved and closed within defined timelines.

The above data includes complaints related to working conditions, covering key aspects such as workplace environment (cleanliness, lighting, ventilation, and noise levels), health and safety (availability of PPE, safe equipment, and hazard control), basic facilities (drinking water, sanitation, rest areas, and canteen), working hours and shift conditions (overtime, breaks, and scheduling), ergonomics (proper seating and work setup), and overall employee welfare and comfort.

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.

Granules places a strong emphasis on safeguarding its workforce through continuous Hazard and Operability (HAZOP) studies, which play a critical role in identifying potential process risks and strengthening safety controls across operations. Insights from these assessments are systematically addressed through timely corrective actions, while significant risks identified through workplace evaluations and safety assessments are proactively managed to enhance overall safety performance.

- Structured Safety Observation Interactions (SOIs) are implemented across sites to identify unsafe acts and conditions, with employees actively encouraged to report safety concerns and contribute to a safe working environment.
- Incident investigations are rigorously analysed to identify root causes, enabling the implementation of corrective measures and the prevention of recurrence.
- 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	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

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.

SL NO.	% 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 skilldevelopment • 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.

We prioritize community health by supporting and overseeing a public health clinic in Gagillapur Village near our manufacturing facility in Hyderabad. The clinic is staffed by a qualified medical doctor and paramedic and provides essential primary healthcare services, ensuring that local residents have access to reliable healthcare close to home.

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 2025-26 Total (A)	FY 2025-26 No. of employees /workers covered (B)	FY 2025-26 % (B/A)	FY 2024-25 Total (C)	FY 2024-25 No. of employees / workers covered (D)	FY 2024-25 % (D/C)
Employees						
Permanent	4306	4306	100%	4066	4066	100%
Other than Permanent	NA	NA	NA	NA	NA	NA
Total employees	**4306**	**4306**	**100%**	**4066**	**4066**	**100%**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	2217	2217	100%	2100	2100	100%
Total workers	**2217**	**2217**	**100%**	**2100**	**2100**	**100%**

2. Details of minimum wages paid to employees and workers:

Category	FY 2025-26 Total (A)	Equal to minimum wage No. (B)	Equal to minimum wage % (B/A)	More than minimum wage No. (C)	More than minimum wage % (C/A)	FY 2024-25 Total (D)	Equal to minimum wage No. (E)	Equal to minimum wage % (E/D)	More than minimum wage No. (F)	More than minimum wage % (F/D)
EMPLOYEES										
Permanent	4306	0	0%	4306	100%	4066	0	0%	4066	100%
Male	3842	0	0%	3842	100%	3684	0	0%	3684	100%
Female	464	0	0%	464	100%	382	0	0%	382	100%
Other than 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

Category	FY 2025-26					FY 2024-25				
	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)
					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
Other than Permanent	2217	2180	98%	37	2%	2100	2050	98%	50	2%
Male	1760	1732	98%	28	2%	1699	1660	98%	39	2%
Female	457	448	98%	9	2%	401	390	97%	11	3%

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	Refer "Annexure VI to board's report" for BOD Remuneration	3	Refer "Annexure VI to board's report" for BOD Remuneration
KMP (other than BoD)	1	Refer "Annexure VI to board's report" for KMP Remuneration	1	Refer "Annexure VI to board's report" for KMP Remuneration
Employees other than BOD & KMP	3836	₹ 0.559 Million Per Annum	461	₹ 0.383 Million Per Annum
Workers		NA		

*Dr. Kandiraju Venkata Sitaram Rao ceased to be Joint Managing Director & CEO of the Company with effect from August 01, 2025.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	6.25	6.30

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.

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

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:

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 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	Closed	1	0	Closed
Discrimination at workplace	0	0	-	0	0	-
Child Labor	0	0	-	0	0	-
Forced Labor/Involuntary Labor	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other issues	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:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	1
Complaints on POSH as a % of female employees/workers	0.43%	0.26%
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 behaviour. 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	FY 2025-26	FY 2024-25
From renewable sources			
Total electricity consumption (A)	TJ	318.56	204.49
Total fuel consumption (B)	TJ	47.74	8.75
Energy consumption through other sources (C)	TJ	-	-
Total energy consumed from renewable sources (A+B+C)	TJ	**366.30**	**213.24**
From non-renewable sources			
Total electricity consumption (D)	TJ	6.52	93.36
Total fuel consumption (E)	TJ	617.28	574.48
Energy consumption through other sources (F)	TJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	TJ	**623.8**	**667.84**
Total energy consumed (A+B+C+D+E+F)	TJ	**990.10**	**881.18**
Energy intensity per rupee of turnover	TJ/Million Rupees	0.0285	0.0291
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TJ/ Million Rupees adjusted for Purchasing Power Parity (PPP)	0.00694	0.00770
Energy intensity in terms of physical output	TJ/Tons of Production	0.0172	0.0176

Note:

GHG emission factors, energy conversion factors, and density values (for liquid fuels) for coal, HSD, biofuel, furnace oil, and petrol are sourced from the **DEFRA GHG Emission and Conversion Factors 2025.**

Emission Factors for Gases /Refrigerants sourced from **IPCC-AR6** WGI Report & **EPA 2025 GHG** Emissions Factors Hub

Emission factors for grid Energy considered from Central Electricity Authority i.e. FY 2023 (0.81 tCO_2/MWh), FY 2024 (0.716 tCO_2/MWh), **FY 2025 (0.727 tCO_2/MWh)** & FY 2026 (0.710 tCO_2/MWh).

Calculated PPP (4.10534) based on 2025 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 2025-26, as per RBI, is 91.9596.

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	FY 2025-26	FY 2024-25
Water withdrawal by source			
i. Surface water	KL	0	0
ii. Ground Water	KL	0	0
iii. Third Party Water	KL	3,93,791	3,56,980
iv. Seawater/ Desalinated Water	KL	0	0
v. Others:	KL	4517	2169
Total volume of water withdrawal (in kilolitres)	KL	**3,98,308**	**3,59,149**
Total volume of water consumption (in kilolitres)	KL	**2,39,951**	**2,16,823**
Water Consumption intensity per rupee of turnover	KL/Million Rupee	6.91	7.16
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)	1.68	1.90
Water intensity in terms of physical output	Kl/Tons of Production	4.16	4.33

Note: Water withdrawal under 'Other Sources' includes water consumption of 1,457 KL from rainwater harvesting and 3,060 KL of grey water (from CETP–JETL) at the Gagillapur unit

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	FY 2025-26	FY 2024-25
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	94,970 KL	78,968 KL
v. Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**94,970 KL**	**78,968 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 39% 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	FY 2025-26	FY 2024-25
NOx	MT	45.7	59.55
SOx	MT	84.65	175.0
Particulate matter (PM)	MT	42.46	72.34
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	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	59,851	57,414
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	1,285	18,853
Total Scope 1 + 2 Emissions	tCO_2e	**61,136**	**76,267**
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e / Million Rupees	1.76	2.52
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)	0.429	0.667
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e /Ton of Production	1.06	1.52

Note:

- GHG emission factors, energy conversion factors, and density values (for liquid fuels) for coal, HSD, biofuel, furnace oil, and petrol are sourced from the DEFRA GHG Emission and Conversion Factors 2025.
- Emission Factors for Gases /Refrigerants sourced from IPCC-AR6 WGI Report & EPA 2025 GHG Emissions Factors Hub
- Emission factors for grid Energy considered from Central Electricity Authority i.e. FY 2023 (0.81 tCO_2/MWh), FY 2024 (0.716 tCO_2/MWh), FY 2025 (0.727 tCO_2/MWh) & FY 2026 (0.710 tCO_2/MWh).
- Calculated PPP (4.10534) based on 2025 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 2025-26, as per RBI, is 91.9596.

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.

During FY 2025–26, Granules India Limited undertook focused energy conservation, efficiency improvement, and renewable energy initiatives across its manufacturing sites, delivering measurable environmental and financial benefits. The Company achieved total energy savings of 2,309,552 kWh, resulting in a GHG emission reduction of 1,640 tCO_2e through energy efficiency measures. Further, increased adoption of renewable electricity contributed to an additional 6,027 tCO_2e reduction in Scope 2 emissions. Additionally, for offsetting emissions, Granules procured 80,000 MWh of I-RECs for its API, FD, and R&D units, resulting in a reduction of approximately 56,800 tCO_2e of GHG emissions. Collectively, these initiatives generated annual cost savings of approximately ₹176.4 lakhs, and the avoided GHG emissions is 64,467 tCO_2e strengthened energy resilience, and supported alignment with statutory disclosures and ESG reporting requirements under BRSR, GRI, and global rating frameworks.

The Gagillapur unit was the major contributor to energy and emissions performance through a combination of renewable energy adoption and system efficiency improvements. Key initiatives included rooftop solar generation of 1,203 MWh, procurement of 7,286 MWh renewable electricity through PPA, replacement of conventional AHU blowers with energy efficient EC+ blowers, installation of a high efficiency air compressor, and compressed air pressure optimization. These measures resulted in energy savings of 1,548,078 kWh, GHG reduction of 1,099 tCO_2e from efficiency initiatives and 5,885 tCO_2e from renewable electricity, along with annual cost savings of ₹111.6 lakhs.

At the Bonthapally unit, energy optimization efforts focused on HVAC systems, utilities, and process efficiency. Key measures included replacement of AHU blowers with energy efficient Aeronaut blowers, interlocking of chillers and RT pumps, installation of temperature controllers in cleanroom AHUs, deployment of IRIS controllers for air compressors, and installation of an auto tube cleaning system for refrigeration units. These initiatives delivered energy savings of 758,830 kWh, corresponding to a GHG reduction of 538.7 tCO_2e, and annual cost savings of ₹64.6 lakhs.

Energy conservation initiatives at the Parawada unit-IV included replacement of conventional street lighting with energy efficient bollard lights, adoption of BLDC motors for canteen sealing fans, and automation of capacitor banks to achieve unity power factor. These measures resulted in energy savings of 2,644 kWh, GHG reduction of 2 tCO_2e, and annual cost savings of ₹0.5 lakhs.

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.

9. Provide details related to waste management by the entity:

Parameter	FY 2025-26	FY 2024-25
Total waste generated (in metric tonnes)		
Plastic waste (A)	981.53	873.4
E-Waste (B)	4.52	3.75
Bio-Medical Waste (C)	6.81	5.71
Construction and demolition waste (D)	0	0
Battery Waste (E)*	5.09	4.37
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	5594.5	3194.38
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	1945.06	2004.3
Total (A+B+C+D+E+F+G+H)	**8537.5**	**6086.0**
Waste intensity per rupee of turnover	0.246	0.201
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP)	0.060	0.053
Waste intensity in terms of physical output (MT/MT)	0.148	0.122
*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	2939.03	2886.1
ii. Re-used	4594.6	2540.5
iii. Other recovery operations (safely disposed)	1003.77	659.3
Total	**8537.5**	**6086.0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i. Incineration	62.85	69.3
ii. Landfilling	934.11	584.2
iii. Other disposal operations (Co-processing)	4594.67	2540.5
Total	**5591.6**	**3194.1**

Note:

- Coal ash data is not included in the above table, as tracking was initiated in FY 2025–26. The total generation recorded during the reporting period is 5,232.6 MT, which is being sent to brick manufacturers for reuse.
- This exclusion pertains to food/canteen waste, as the food waste is being diverted for use as cattle feed.
- Calculated PPP (4.10534) based on 2025 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 2025-26, as per RBI, is 91.9596.

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 83% 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 No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the water (Prevention and control of pollution) Act , Air (Prevention and Control of pollution) Act, Environment protection act and rules thereunder (Y/N). If not, Provide all details of all such non-compliances, in the following format:

SL NO.	Specify the law / regulation / guidelines which was not complied with	Provide details the of 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, Shamirpet), Visakhapatnam (Parawada) and Pune

ii. Nature of operations: Manufacturing and R&D

iii. Water withdrawal, consumption and discharge in the following format

Parameter	Unit	FY 2025-26	FY 2024-25
Water withdrawal by source			
i. Surface water	KL	0	0
ii. Ground Water	KL	0	0
iii. Third Party Water	KL	3,93,791	3,56,980
iv. Seawater/ Desalinated Water	KL	0	0
v. v. Others: (Rainwater Harvesting)	KL	4517	2169
Total volume of water withdrawal (in kilolitres)	KL	**3,98,308**	**3,59,149**
Total volume of water consumption (in kilolitres)	KL	**2,39,951**	**2,16,823**
Water Consumption intensity per rupee of turnover	KL/Million Rupee	6.91	7.16
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)	1.68	1.90
Water intensity in terms of physical output	Kl/Tons of Production	4.16	4.33

Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY 2025-26	FY 2024-25
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	94,970 KL	78,968 KL
v. Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**94,970 KL**	**78,968 KL**

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2025-26	FY 2024-25
Category 1 - Purchased Goods & Services	tCO_2e	4,29,284	3,60,046
Category 2 - Capital Goods	tCO_2e	4,018	17,521
Category 3 - Fuel and Energy Related Activities	tCO_2e	29,733	24,196
Category 4 - Upstream Transportation & Distribution	tCO_2e	6,844	8,488
Category 5 - Waste Generated from Operations	tCO_2e	849	2,074
Category 6 - Business Travel	tCO_2e	664	377
Category 7 - Employee Commuting	tCO_2e	1,323	1,064
Category 8 - Upstream Leased Assets	tCO_2e	253	341
Category 9 - Downstream Transportation & Distribution	tCO_2e	48,342	20,648
Category 10 - Processing of Sold Products	tCO_2e	36,547	29,905
Category 11 - Use of Sold Products	tCO_2e	0	0
Category 12 - End of Life Treatment of sold products	tCO_2e	2,436	3,402
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, NF_3, if available)	tCO_2e	5,60,293	4,68,062
Total Scope 3 emissions per rupee of turnover	tCO_2e /INR	16.13	15.45
Scope 3 emission Intensity in terms of physical output	tCO_2e / Tons of Production	9.71	9.35

Note: Category 11, 13, 14, 15 are Not Applicable, as these categories are 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 10 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:

During FY 2025–26, Granules India Limited undertook focused energy conservation, efficiency improvement, and renewable energy initiatives across its manufacturing sites, delivering measurable environmental and financial benefits. The Company achieved total energy savings of 2,309,552 kWh, resulting in a GHG emission reduction of 1,640 tCO_2e through energy efficiency measures. Further, increased adoption of renewable electricity contributed to an additional 6,027 tCO_2e reduction in Scope 2 emissions. Additionally, for offsetting emissions, Granules procured 80,000 MWh of I-RECs for its API, FD, and R&D units, resulting in a reduction of approximately 56,800 $tCO_{22}e$ of GHG emissions. Collectively, these initiatives generated annual cost savings of approximately ₹176.4 lakhs, and the avoided GHG emissions is 64,467 tCO_2e strengthened energy resilience, and supported alignment with statutory disclosures and ESG reporting requirements under BRSR, GRI, and global rating frameworks.

The Gagillapur unit was the major contributor to energy and emissions performance through a combination of renewable energy adoption and system efficiency improvements. Key initiatives included rooftop solar generation of 1,203 MWh, procurement of 7,286 MWh renewable electricity through PPA, replacement of conventional AHU blowers with energy efficient EC+ blowers, installation of a high efficiency air compressor, and compressed air pressure optimization. These measures resulted in energy savings of 1,548,078 kWh, GHG reduction of 1,099 tCO_2e from efficiency initiatives and 5,885 tCO_2e from renewable electricity, along with annual cost savings of ₹111.6 lakhs.

At the Bonthapally unit, energy optimization efforts focused on HVAC systems, utilities, and process efficiency. Key measures included replacement of AHU blowers with energy efficient Aeronaut blowers, interlocking of chillers and RT pumps, installation of temperature controllers in cleanroom AHUs, deployment of IRIS controllers for air compressors, and installation of an auto tube cleaning system for refrigeration units. These initiatives delivered energy savings of 758,830 kWh, corresponding to a GHG reduction of 538.7 tCO_2e, and annual cost savings of ₹64.6 lakhs.

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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.

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.
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 1203 MWh during the year.	1203 MWh of power Generated and 854 MT of CO_2 GHG Emissions Avoided
3.	Purchase of Renewable Energy through PPA	We procured 7286 MWh of Electricity for Gagillapur unit.	5173 tCO_2e of GHG emissions avoided.
4.	Purchase of Renewable Energy Certificates	We have procured 80000 MWh of RECs for our API, FD & R&D Units	56,800 tCO_2e 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 a third party to develop a Business Continuity Plan (BCP) and support the review of its Risk Management Program under the ERM framework to ensure robustness and readiness.

Granules also have 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.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	Pharmaceutical supply Chain Initiative (PSCI)	International
2	United Nations Global Compact (UNGC)	International
3	UN Women's Empowerment Principles (UN WEP)	International
4	British Safety Council of India (BSCI)	International
5	Safety Council of India (NSCI)	National
6	Center for Fourth Industrial Revolution (C4IR) - World Economic Forum	International
7	Confederation of Indian Industry (CII)	National
8	Bulk Drug Manufacturer Association of India (BDMAI)	National
9	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. We became an official signatory to the UN-WEP (UN-Women's Empowerment Principles), reaffirming its commitment to gender equality and alignment with SDG5 (Gender Equality).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, UNWEP, NSCI, BSC, C4IR (WEF), CII, BDMAI, and FTAPCCI through working groups, consultations, and knowledge-sharing sessions	No	At Frequent Intervals	https://granulesindia.com/sustainability/#-Commitments https://unglobal-compact.org/what-is-gc/participants/160512-GRANULES-INDIA-LIMITED https://pscinitiative.org/supplierPartnership

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 ₹)
Not Applicable						

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:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	11.3%	5.8%
Directly from within India	65.8%	54%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2025-26	FY 2024-25
Rural	10.11%	10.97%
Semi-urban	76.08%	76.32%
Urban	7.95%	6.99%
Metropolitan	5.86%	5.76%

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 ₹)
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 2025-26)	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Breast Health Express - Mobile mammography and awareness initiative improving early detection and access to screening services for underserved women in rural communities.	3677 - Total Consultations 1769 mammograms 395 ultrasounds	90%
2.	Pharma Pathashala - Placement-linked skill development programme for rural youth in collaboration with Swarna Bharath Trust.	1600+ Students (Since Inception in 2017) with 150+ participants in the current year	100%
3.	Vidya Volunteers - Deployment of dedicated volunteers to strengthen teaching support and improve learning outcomes in government schools.	600+ Students	100%
4.	TB Nutrition Support -Distribution of nutritional kits to TB patients to improve recovery and treatment adherence.	1,030 - Patients	100%
5.	BC Hostel Transformation -Renovation and infrastructure improvement of BC Welfare Hostel to create a safe learning environment.	100+ Students	100%
6.	Granules Vidya Scholarships -Financial aid, study materials, and mentorship were provided across Andhra Pradesh and Telangana to address financial barriers to civil service preparation.	20 - Students	90%
7.	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%
8.	Education kits were distributed to differently abled children to address lack of access to essential learning resources.	300+ Students	100%
9.	Eco friendly clay idols were distributed to address environmental pollution caused by traditional idols.	6,000+	90%
10.	A blood donation camp was organized in Gagillapur to support cancer patients, addressing healthcare needs through voluntary blood donation.	150 units	100%
11.	Drinking water bottles were distributed during large gatherings to ensure access to safe drinking water and address the need for reliable hydration support.	4 lakh water bottles	-
12.	Education and nutrition support were provided to underprivileged children in Khammam to address educational and nutritional challenges, improving access to learning and overall well-being.	40 students	100%
13.	Sponsorship support was provided to promote mountaineering talent, encouraging sports development.	1	100%
14.	Mid-day meals were sponsored in Jinnaram, Telangana to address nutritional gaps affecting student performance, improving nutrition levels and school attendance.	300+ students	100%
15.	A marathon and plantation drive were organized in Hyderabad to promote environmental awareness and fitness, fostering sustainability and community engagement.	1,00,000+ participants	-
16.	One of the sponsors for Examthon Marathon which was conducted with the objective of promoting stress free education for the students	5000+ participants	90%
17.	Granules in association with LV Prasad Eye insititute has conducted eye screening tests to 23 government school going children	2900+	100%

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 place a strong emphasis on delivering high-quality products and ensuring timely service to our customers. Customer feedback is actively gathered through multiple channels, including surveys, direct interactions, and service touchpoints. This feedback is systematically analysed to identify improvement areas and enhance our products and services in line with customer expectations.
- All customer complaints are addressed within the timelines defined in our Quality Standard Operating Procedures, with necessary corrective and preventive actions integrated into our processes. The Company ensures that no complaints remain unresolved beyond the stipulated resolution period by the end of the financial year. Each complaint is thoroughly investigated, and appropriate responses along with action plans are communicated to customers and relevant internal stakeholders. This structured approach enables timely resolution of issues while driving continuous improvement in 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 2025-26			FY 2024-25		
	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	630	0	Two investigation reports are under customer review, and all other complaints have been resolved or are under investigation within the prescribed timelines.	580	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 Metoprolol Succinate Release Tablet as it failed to meet the dissolution acceptance, and another for Trazodone HCL Tablets USP 50mg 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, structured email communications are issued to proactively inform consumers about any potential service disruptions or risks of product discontinuation. These communications are designed to ensure timely, transparent, and clear dissemination of information, enabling customers to anticipate and manage any potential impact. Relevant details, including the nature of the disruption, expected timelines, and alternative arrangements (where applicable), are communicated to support informed decision-making. This approach reinforces our commitment to maintaining trust, transparency, and continuity in customer relationships.

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 teams actively engage with customers through regular interactions to gather feedback on products and services. This feedback is systematically documented and shared with relevant internal stakeholders for further evaluation and action.

The collected inputs are analysed to identify trends, areas of improvement, and opportunities to enhance customer experience. Cross-functional teams work collaboratively to address concerns, implement corrective measures, and strengthen product quality and service delivery. This structured feedback loop enables Granules to remain responsive to customer needs while continuously improving overall satisfaction and long-term relationships.



Management Discussion and Analysis

Economic Overview

Macroeconomic and Policy Context

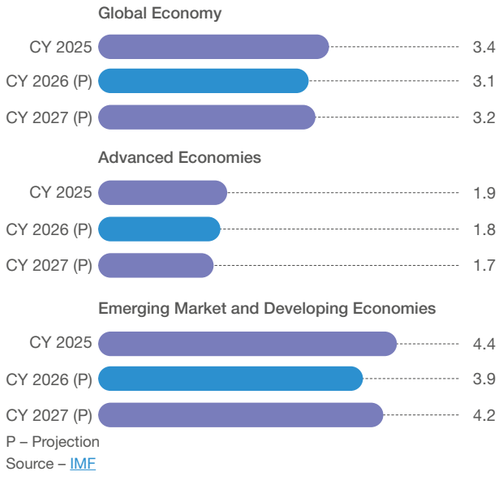
The global economy remained resilient in CY2025 despite geopolitical tensions, trade uncertainties and inflationary pressures. Global GDP expanded by 3.4%,[1] while emerging economies continued to outpace advanced economies. However, evolving trade dynamics and supply chain disruptions continued to create uncertainty across industries.

India sustained strong growth momentum in FY2025–26, with GDP expanding by 7.6%,[2] supported by robust domestic demand, infrastructure investments and manufacturing growth. Continued government focus on capital expenditure and industrial development strengthened the country's long-term growth outlook.

Against this backdrop, the pharmaceutical industry continued to benefit from structural demand drivers, including ageing populations, rising prevalence of chronic diseases and improving healthcare access. Looking ahead, global GDP growth is projected at 3.1% in CY2026 and 3.2% in CY2027, while continued investments in healthcare infrastructure, pharmaceutical supply security and affordable medicines are expected to support the industry's long-term growth.

Granules continues to strengthen its focus on operational excellence, regulatory compliance, innovation-led growth and supply chain resilience, positioning the Company to capture emerging opportunities while delivering sustainable value to stakeholders.

GDP Growth Trend (in %)



P – Projection
Source – IMF

Indian GDP Growth Trend (%)



P – Projected
Source: RBI

[1] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

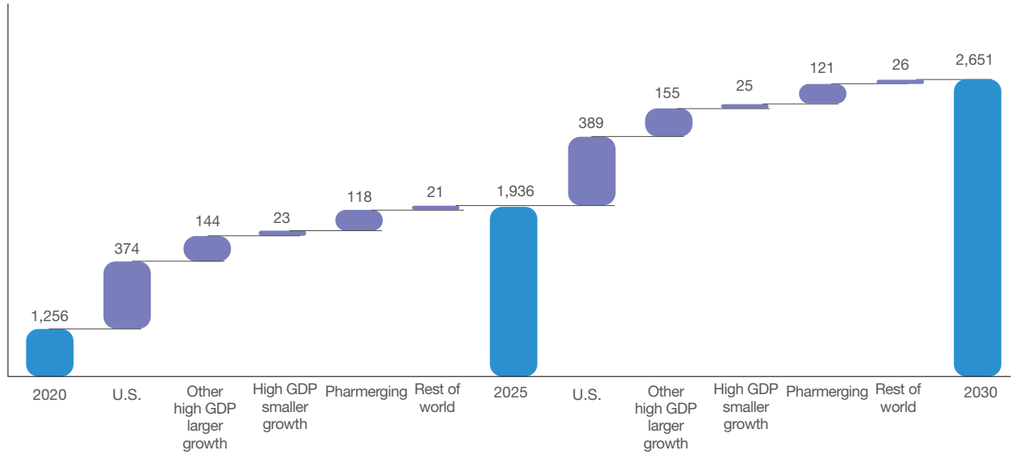
[2] https://www.mospi.gov.in/uploads/latestReleases/latest_release_1772189865181_f040336d-bc57-4aed-b80f-586d9ccb279e_Press_Note_on_New_Series_of_GDP_Estimates_with_Base_Year_2022-23_27022026.pdf

Industry Overview

Global Pharmaceutical Market[3]

Global Medical Spending and Growth, Excluding COVID-19 Vaccines and Therapeutics, Constant (2020–2030)

(in USD Billion)



Source: IQVIA Global Medicine Use Trends 2026

Global demand for pharmaceuticals continues to rise, supported by expanding healthcare access, ageing populations and the increasing prevalence of chronic diseases. According to IQVIA, global medicine consumption is projected to approach 4 trillion defined daily doses (DDDs) by CY 2030, while global medicine spending is expected to exceed USD 2.6 trillion, growing at an estimated 5–8% annually. Developed markets are expected to remain the primary drivers of value growth through continued adoption of innovative therapies, particularly across oncology, immunology, diabetes and obesity, while emerging markets are projected to contribute significantly to volume growth as healthcare access continues to improve.

Over the coming years, the pharmaceutical industry is expected to be shaped by patent expiries, increasing adoption of biosimilars, expanding specialty medicines and continued investment in innovation, alongside a growing focus on affordability and healthcare accessibility. At the same time, pharmaceutical companies are strengthening resilient supply chains, integrated manufacturing capabilities and geographically diversified operations to support faster commercialisation and reliable product availability across regulated markets.

These evolving industry dynamics are creating significant opportunities across differentiated generics, specialty therapies, peptide technologies and advanced pharmaceutical manufacturing. The following table highlights how these global pharmaceutical trends align with Granules' strategic growth engines and support its long-term growth strategy.

Alignment of Global Pharmaceutical Trends with Granules' Growth Engines

Global Growth Driver	Industry Outlook	Alignment with Granules' Growth Engine
Growing demand for complex generics	Patent expiries and increasing focus on affordable healthcare are expanding opportunities for differentiated and high-barrier generic medicines across regulated markets.	**Complex Generics Scale-up** – Expansion of controlled substances, complex formulations and differentiated generic portfolio.
Rapid growth in peptide therapeutics	Peptide-based therapies, particularly GLP-1 medicines for diabetes and obesity, are among the fastest-growing pharmaceutical segments globally.	**Peptide Platform –** Expansion of peptide capabilities through Senn Chemicals and Ascelis Peptides.
Increasing focus on specialty therapies	Oncology, immunology and other specialty medicines are expected to remain the largest contributors to global medicine spending growth through 2030.	**Innovation Platforms & Oncology Pipeline –** Strengthening R&D across CNS, oncology, peptides and other high-value therapeutic areas.

[3] https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-medicine-use-trends-2026

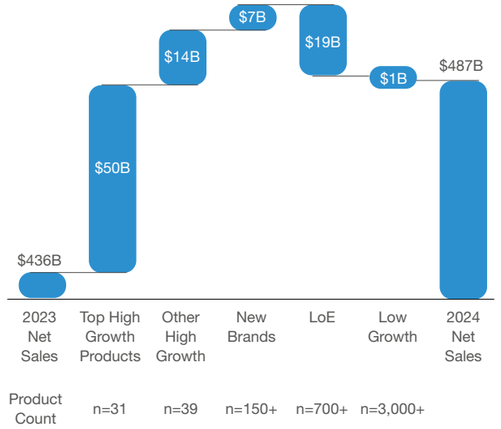
Global Growth Driver	Industry Outlook	Alignment with Granules' Growth Engine
Integrated pharmaceutical manufacturing	Pharmaceutical companies increasingly prefer integrated development and manufacturing partners to improve quality, speed-to-market and supply chain resilience.	**Capacity Expansion –** Leveraging vertically integrated operations and expanding manufacturing infrastructure, including the Genome Valley facility.
Supply chain diversification	Global pharmaceutical companies continue to diversify sourcing and manufacturing across regulated markets to improve resilience and business continuity.	**Geographic Diversification –** Expanding presence across Europe and other regulated markets alongside North America.
Rising pharmaceutical innovation	Continued investments in advanced drug development and differentiated technologies are accelerating the shift towards higher-value pharmaceutical products.	**Innovation Platforms –** Continued investment in complex generics, peptide technologies and differentiated product development.

United States[4]

The United States remains the largest and most innovation-driven pharmaceutical market globally. Growth in CY 2025 has been supported by increased uptake of specialty and high-value therapies, particularly in oncology and immunology.

Medicine Spending Growth Drivers at Estimated Net Manufacturer Prices 2023 to 2024

(in USD Bn)



Source: IQVIA The Global Use of Medicines 2025: Outlook to 2029

Key Growth Drivers

- Strong adoption of innovative and specialty medicines
- Rising use of high-cost, high-value therapies
- Continued leadership in drug innovation and launches
- Increasing patient access to advanced treatments

Outlook

The U.S. pharmaceutical market is expected to grow at a healthy rate through CY 2029, with growth driven primarily by innovation and therapy mix. However, pricing pressures and regulatory changes may moderate overall expansion.

Europe[5]

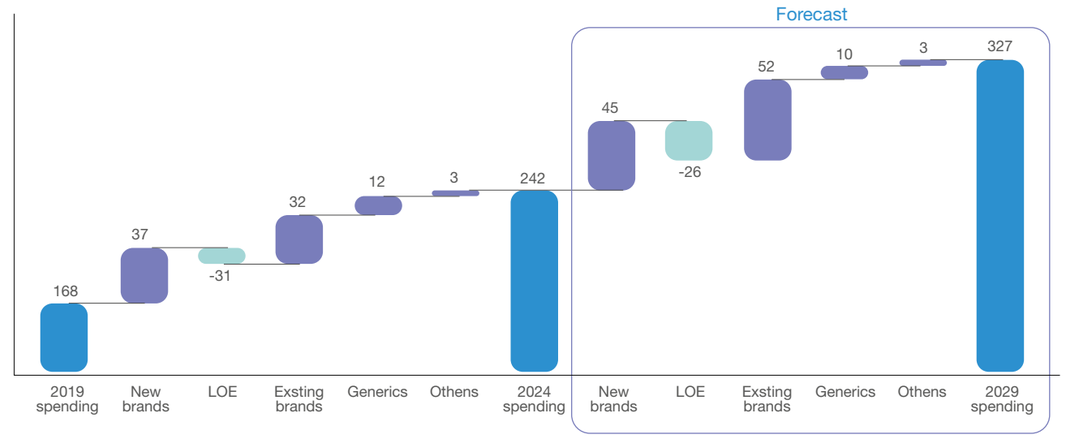
Europe remains a mature pharmaceutical market with high per capita medicine usage, significantly above most other regions. Growth is relatively moderate, reflecting market maturity and pricing controls.

[4] https://www.iqvia.com/-/media/iqvia/pdfs/events/presentation_global-meds-webinar_public.pdf

[5] https://www.iqvia.com/-/media/iqvia/pdfs/events/presentation_global-meds-webinar_public.pdf

Spending and growth drivers in France, Germany, Italy, Spain and UK (2018–2028)

(in USD Billion)



Source: IQVIA The Global Use of Medicines 2025: Outlook to 2029

Key Growth Drivers

- Strong demand for innovative and specialty therapies
- Increased use of biosimilars and cost-efficient treatments
- Aging population and rising chronic disease burden
- Expansion of access to new medicines across countries

Outlook

Growth in Europe is expected to remain steady but moderate, with limited volume expansion. The Pharmaceutical spending in Europe is projected to rise by $85 billion by CY 2029, primarily driven by both newly launched and established branded medicines.

Japan[6]

Japan continues to be a large but slow-growing pharmaceutical market, characterised by high healthcare standards and widespread access to medicines. Growth remains below the global average.

Key Growth Drivers

- Rapidly aging population, increasing healthcare demand
- Continued uptake of innovative therapies
- Focus on treatment of chronic and age-related diseases

Outlook

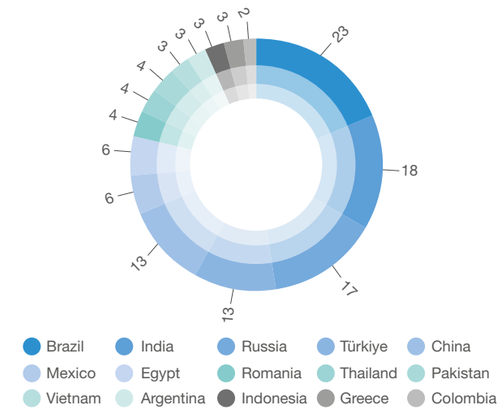
Japan is expected to witness low growth in both volume and spending through CY 2029. While access to innovative drugs is improving, cost containment measures and pricing controls will continue to limit market expansion.

India and Pharmerging Markets[7]

Pharmerging markets, defined as countries with GDP per capita below USD 50,000 and pharmaceutical growth exceeding USD 2 billion through CY 2030 continues to be key drivers of global medicine demand. While overall global spending growth is expected to moderate in the coming years, these markets will play an increasingly important role in sustaining expansion.

Pharmerging Markets Growth (2026-2030)

(in USD Billion)



Source: IQVIA Global Medicine Use Trends 2026

[6] https://www.iqvia.com/-/media/iqvia/pdfs/events/presentation_global-meds-webinar_public.pdf

[7] https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-medicine-use-trends-2026

Key Growth Drivers

- Rising income levels and healthcare access
- Strong growth in medicine consumption and affordability-driven demand
- Increasing burden of chronic and lifestyle diseases
- Expansion of healthcare infrastructure and insurance coverage

Outlook

Pharmerging markets are expected to grow by USD 121 billion through CY 2030, slightly higher than the growth recorded over the past five years. Notably, the top eight pharmerging countries will contribute around 83% of this growth, highlighting concentrated expansion in key economies.

Overall, these markets are expected to remain the fastest-growing segment of the global pharmaceutical industry, driven by both rising volumes and improving access to therapies.

Company Overview

Granules India Limited is a vertically integrated pharmaceutical Company with capabilities spanning the entire value chain, including Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs), Finished Dosages (FDs) and peptide/CDMO operations. The Company's integrated business model, supported by scale, cost efficiency, backward integration and strong regulatory capabilities, enables it to serve more than 300 customers across over 80 countries.

North America continued to remain the Company's largest market during FY 2025-26, while Europe emerged as a strong growth contributor. Finished dosages remained the core business, contributing 74% of total revenues, supported by a growing portfolio of complex generics and value-added formulations. Granules is steadily transitioning towards a more differentiated and value-driven business model with increasing focus on complex generics, controlled substances, oncology and peptide therapeutics.

The Company's manufacturing footprint across India and the US, supported by global R&D capabilities, regulatory expertise and an expanding product pipeline, positions it to strengthen its presence across regulated markets and support long-term sustainable growth.

Strategic Priorities

Granules is advancing its transformation into a quality-driven, innovation-led and value-focused global pharmaceutical company. The Company's strategy is centred on strengthening operational excellence, expanding differentiated product offerings and building new growth platforms that support long-term sustainable growth and improved earnings quality.

I. Strengthening Quality, Compliance and Manufacturing Scale

Granules continues to strengthen its operational backbone through investments in quality systems, regulatory compliance, digital infrastructure and manufacturing scale across its global network.

Key strategic priorities include:

- Strengthening quality and compliance frameworks across manufacturing facilities while advancing remediation initiatives and regulatory engagements.
- Enhancing operational effectiveness through digital quality infrastructure, including electronic logbooks, calibration management systems, document control and MES implementation.
- Scaling formulation manufacturing through the Genome Valley greenfield facility, which adds approximately 10 billion doses of additional capacity to support future product launches and regulated market demand.
- Building a resilient multi-site global supply chain and leveraging vertical integration to enhance supply security, operational flexibility and cost competitiveness.

II. Portfolio Transformation: From Integrated Generics to Complex Generics

Granules is progressively transforming its portfolio from a volume-driven integrated generics model towards a more differentiated and value-driven complex Generics business. During FY 2025-26, Complex Generics contributed 43% of the Finished Dosage portfolio, reflecting the Company's strategic shift towards higher-value products with stronger entry barriers.

The Company's R&D and portfolio expansion efforts are focused on:

- Expanding the pipeline of complex generics, including controlled substances, CNS/ADHD therapies, oncology products and advanced formulation technologies.
- Advancing early-to-market opportunities, including Day-1 launches in regulated markets, including First-to-file applications with potential 180-day exclusivity.
- Developing differentiated dosage forms, MUPS technologies and high-barrier formulations with limited competition.
- Strengthening the global R&D ecosystem supported by a team of over 400 scientists and an expanding regulatory pipeline across APIs and formulations.
- Intensifying BD/IL activities to access complex dosage from and/or delivery system based products for global markets.

III. Building New Growth Platforms: Peptides and CDMO

Granules is building a differentiated growth platform in peptides and Contract Development and Manufacturing (CDMO) through Ascelis Peptides, leveraging the scientific expertise and customer relationships of Senn Chemicals AG in Switzerland.

Key strategic priorities include:

- Developing an integrated global peptide CDMO platform combining Swiss innovation capabilities with scalable development and manufacturing infrastructure in India.
- Strengthening engagement with innovator pharmaceutical, biotechnology and specialty peptide customers across regulated markets.
- Expanding peptide research, development and manufacturing capabilities through the operational peptide Centre of Excellence at IIT Hyderabad and planned peptide intermediates and API capacity expansion in India.
- Building a long-term pipeline of peptide and specialty molecule projects to support the Company's next phase of growth.

Business Overview and Operational Performance

Granules India Limited operates a vertically integrated pharmaceutical business spanning Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs), Finished Dosages (FDs) and peptide/CDMO operations. The Company continues to strengthen its formulations-led business model while leveraging backward integration, manufacturing scale and operational efficiency to enhance supply reliability and cost competitiveness. During FY 2025-26, Finished Dosages remained the largest revenue contributor, accounting for 74% of total revenues, followed by APIs at 13%, PFIs at 10% and the emerging peptide/CDMO business at 3%.

Operational performance strengthened during the year, supported by robust growth in finished dosage sales across regulated markets, particularly North America and Europe. Growth was driven by increased demand from existing customers, new product launches and the continued expansion of the Complex Generics portfolio, including controlled substances and ADHD products in the US market. Europe also emerged as a strong growth contributor during the year, reflecting the Company's expanding international presence and diversified revenue base.

Granules continued to strengthen its manufacturing and supply chain capabilities through capacity expansion at the Genome Valley formulation facility, enhancing supply flexibility and supporting future launches in regulated markets. The Company also continued investing in differentiated growth platforms, including complex generics, oncology products, peptide therapeutics and CDMO capabilities under its Ascelis initiative, supporting its transition towards a more value-driven and innovation-focused portfolio.

Financial and Segment Performance

Granules India delivered a strong financial and operational performance in FY 2025-26, supported by robust growth in Finished Dosages, improving product mix and increasing contribution from Complex Generics and peptide/CDMO operations. Consolidated revenue increased by 20% year-on-year to ₹53,656 million, while EBITDA grew by 25% to ₹11,851 million, with EBITDA margins improving to 22.1%. Profit after tax increased by 19% to ₹5,950 million despite continued investments in R&D, compliance and future growth platforms. Gross margins improved significantly to 65.0%, reflecting favourable portfolio transformation and operational efficiencies.

Finished Dosages (FD)

The FD segment remained the primary revenue contributor, accounting for 74% of total revenues in FY 2025-26. Segment revenue increased by 16% year-on-year to ₹39,893 million, driven by strong demand across North America and Europe, new product launches and increasing contribution from Complex Generics. Growth was supported by products in the CNS/ADHD portfolio, controlled substances and value-added formulations in regulated markets.

Granules continued to strengthen its formulations-led strategy through capacity expansion at the Genome Valley facility and enhanced manufacturing efficiencies across India and the US. The Company also continued transitioning towards a higher-value and differentiated portfolio, with Complex Generics contributing an increasing share of the FD business.

Finished Dosages (FD) Revenue

(₹ in Millions)



Active Pharmaceutical Ingredients (API)

The API segment recorded revenue of ₹6,822 million in FY 2025-26, registering a growth of 10% year-on-year. Growth was supported by new API launches, increasing integration with the formulations business and improved demand for select

molecules. APIs continue to play a strategic role in supporting backward integration, supply security and cost competitiveness across the Company's Finished Dosage portfolio.

Granules also continued investments in process optimisation, manufacturing efficiency and integrated product development to strengthen long-term competitiveness in the API business.

Active Pharmaceutical Ingredients (API) Revenue

(₹ in Millions)



Pharmaceutical Formulation Intermediates (PFI)

The PFI segment reported revenue of ₹5,348 million in FY 2025-26, reflecting a growth of 25% year-on-year. Performance improved due to stronger demand, operational efficiencies, and increasing integration with the Company's formulations portfolio. The segment continues to support Granules' vertically integrated business model by ensuring supply reliability and manufacturing flexibility across regulated markets.

The Company remains focused on improving product mix, operational productivity and customer engagement within the PFI business while supporting future growth in formulations and complex generics.

Pharmaceutical Formulation Intermediates (PFI) Revenue

(₹ in Millions)



Peptide/CDMO

FY 2025-26 also marked the emergence of peptide/CDMO operations as a new growth platform for Granules following the acquisition of Senn Chemicals AG under the Ascelis initiative. The segment contributed ₹1,593 million in revenue during the year and achieved positive EBITDA in Q4 FY26.

Granules continues to strengthen its peptide development and CDMO capabilities through scientific collaboration between Switzerland and India, while expanding customer engagement across innovator pharmaceutical and biotechnology companies.

Peptide/CDMO Revenue

(₹ in Millions)



R&D and Innovation

Granules continued to strengthen research and development as a key driver of long-term growth, portfolio transformation and differentiated product development. During FY 2025-26, the Company invested ₹2,853 Mn towards R&D, representing 5.3% of revenues, with a strong focus on complex generics, CNS/ADHD therapies, oncology, MUPS and other high-barrier formulations. These investments support the Company's strategic transition from a volume-led model towards a value-driven portfolio with increasing contribution from Complex Generics products.

The Company's global R&D network spans facilities in Hyderabad (Genome Valley and Pragathi Nagar), Pune and international research capabilities, supported by a team of scientists working across APIs, formulations and peptide research. During FY 2025-26, Granules filed 6 U.S. ANDAs, 3 EU dossiers, 1 Canadian dossier and 15 filings across various regions, along with 6 U.S. DMFs and 10 additional DMF filings globally. Complex generics continued to account for a meaningful share of filings, reinforcing the Company's focus on sustainable and differentiated growth opportunities, including potential first-to-file launches.

Granules also continued expanding its capabilities in peptides and specialty therapeutics through Ascelis Peptides, integrating the scientific expertise of Senn Chemicals AG with its global development platform. During the year, the peptide CDMO platform achieved positive EBITDA in Q4FY 2025-26, while the Company further strengthened its peptide development ecosystem through its operational peptide Centre of Excellence at IIT Hyderabad and planned expansion of peptide intermediates and API capabilities in India. These initiatives are aligned with the Company's long-term innovation strategy and future growth objectives.

Quality and Compliance

Quality and regulatory compliance remain integral to Granules' operations and long-term competitiveness. During the year, the Company continued to strengthen its quality systems and governance frameworks across manufacturing facilities to ensure alignment with global regulatory expectations.

Granules advanced remediation efforts at the Gagillapur Finished Dosage facility, implementing corrective and preventive actions while strengthening contamination controls and enhancing cleaning validation and quality oversight processes with guidance from external experts.

The Company also progressed broader quality enhancement initiatives through revised procedures, strengthened governance mechanisms and capability-building initiatives. Granules remains committed to maintaining robust quality systems and ensuring consistent regulatory compliance across its global operations.

Sustainability and ESG

FY 2025–26 marked another year of significant progress in Granules' sustainability journey, with continued advancement across climate action, responsible sourcing and ESG governance. Sustainability remains integrated into the Company's long-term strategy, supported by measurable environmental improvements, strengthened governance frameworks and industry-leading external recognition.

During the year, Granules achieved a Gold Rating from EcoVadis, placing the Company among the top 5% of participating companies globally (97th percentile). The Company also strengthened its climate leadership by securing an 'A' rating in the 2025 CDP Climate Change assessment, advancing from a 'B' rating in the previous year, while receiving inaugural ratings of 'B' for Water Security and 'B-' for Forests. Granules' near-term, long-term and Net Zero (2050 or sooner) emissions reduction targets continue to be validated by the Science Based Targets initiative (SBTi), reaffirming alignment with the 1.5°C pathway. ESG performance was further reinforced through an improved S&P Corporate Sustainability Assessment score of 62/100, an MSCI 'BB' rating, and becoming a signatory to the UN Women's Empowerment Principles.

The Company also strengthened sustainability across its value chain through an enhanced Supplier Sustainability Programme, engaging suppliers representing approximately 80% of procurement spend on climate disclosures, renewable energy adoption and emissions management. Granules was recognised on the CDP Supplier Engagement Assessment 2025 A-List, received Sedex Supplier Plus recognition and won the Sustainability Award at Haleon's Winning Together – Supplier Summit 2026, reflecting continued progress in responsible sourcing and supply chain sustainability. Operationally, the Company achieved a 32% reduction in Scope 1 and Scope 2 emissions, increased the share of renewable electricity to 69%, recycled 44% of wastewater, and directed 80% of hazardous waste for co-processing, reinforcing its commitment to resource efficiency and low-carbon manufacturing.

Risks and Mitigation

Risk	Impact	Mitigation Strategy
Quality and Regulatory Compliance	Regulatory observations, non-compliance or quality-related incidents may result in operational disruptions, delays in approvals and restrictions on manufacturing or supply.	Continued strengthening of quality systems and compliance frameworks, proactive engagement with regulatory authorities and periodic audits and training programmes.
Strategic Growth and Market Diversification	Delays in expansion into new geographies, complex generics, peptides and CDMO opportunities may affect growth and margin expansion.	Focused evaluation of new markets, balanced portfolio diversification and disciplined execution of growth initiatives across integrated and complex molecules.
Supply Chain Resilience and Input Availability	Disruptions in raw material availability, logistics networks or supplier concentration may impact production schedules, costs and customer commitments.	Supplier diversification, alternate sourcing arrangements, inventory optimisation and strengthened supplier engagement mechanisms.
Information Security and Digital Risks	Cybersecurity incidents, data breaches or system disruptions may impact business continuity and stakeholder confidence.	Strengthening IT and OT security controls, continuous monitoring, cybersecurity assessments and employee awareness programmes.
Talent Retention and Leadership Continuity	Attrition of key talent or leadership gaps may impact operational efficiency, execution of strategic initiatives and business continuity.	Structured succession planning, leadership development programmes, employee engagement initiatives and internal capability building.
Geopolitical and External Environment Risks	Geopolitical tensions, trade policy changes and macroeconomic volatility may affect logistics, freight costs, supply chains and operating costs.	Continuous monitoring of geopolitical developments, scenario planning, diversified sourcing strategies and adaptive operational planning.

Outlook

Granules continues to bolster its position in regulated pharmaceutical markets through the convergence of portfolio expansion, operational scale and innovation-led growth. The Finished Dosage segment is expected to remain a crucial growth driver, buoyed by new product launches, expansion of the complex generics portfolio and consistent demand from critical markets such as North America and Europe. The increasing contribution from complex formulations, including the ADHD portfolio in the US, is expected to support revenue growth and margin improvement over the medium term.

The Company's expanded manufacturing capacity, including the Genome Valley formulation facility, provides additional flexibility to scale production and support future product launches. At the same time, Granules continues to strengthen its product pipeline through sustained R&D investments, with multiple filings and approvals across key markets. The focus on integrated and complex generics, supported by strong API capabilities and a growing regulatory pipeline, is expected to create long-term growth opportunities.

Granules is also building new growth platforms in peptides and CDMO through Ascelis platform, leveraging its global scientific capabilities to participate in high-value emerging segments. While the Company remains mindful of regulatory and market challenges, its focus on quality, operational efficiency and innovation positions it well to deliver sustainable growth and create long-term value for stakeholders.

Financial Review

Consolidated Abridged Profit and Loss Statement

(₹ in million)

Particulars	FY 2025-26	FY 2024–25
Revenue	53,656.42	44,816.08
EBITDA	11,851.44	9,452.36
PAT	5,950.21	5,015.16
Basic EPS	24.47	20.69

Revenue from Operations

Revenue from operations for FY 2025-26 increased to ₹53,656 million from ₹44,816 million in FY 2024–25, registering a growth of 20% year-on-year. Growth was primarily driven by strong performance in the Finished Dosage segment, supported by increased contribution from Complex Generics, new product launches and sustained demand across North America and Europe. The Company also benefited from improving product mix, higher contribution from value-added formulations and the emergence of the peptide/CDMO business as a new growth platform during the year.

EBITDA

EBITDA for FY 2025-26 stood at ₹11,851 million as compared to ₹9,452 million in FY 2024–25, reflecting continued improvement in operational performance and margin expansion. EBITDA margins improved to 22.1% during the year, supported by favourable product mix, higher contribution from Complex Generics and improved gross margins. The Company continued to invest in R&D, compliance initiatives and future growth platforms, including peptide/CDMO operations under the Ascelis initiative.

Consolidated Balance Sheet

(₹ in million)

Particulars	As on March 31, 2026	As on March 31, 2025
Assets		
Tangible and Intangible Assets	36,596.60	28,666.59
Non-current Assets other than above	2,926.44	2,704.21
Current Assets	37,676.46	31,154.81
Total Assets	**77,199.50**	**62,525.61**
Equity and Liabilities		
Share Capital	247.80	242.54
Other equity	50,602.15	36,913.24
Non-current liabilities	5,429.24	5,338.22
Current Liabilities	20,920.31	20,031.61
Total Equities and Liabilities	**77,199.50**	**62,525.61**

Total Assets increased to ₹77,199.50 million as of March 31, 2026, compared to ₹62,525.61 million in the previous year. The growth was primarily driven by continued investments in manufacturing capacity expansion, peptide/CDMO capabilities, digital infrastructure and working capital to support business growth across regulated markets. The increase also reflects the Company's continued focus on strengthening its formulations business, enhancing operational capabilities and supporting future growth initiatives.

Equity and Liabilities

Total equity increased from ₹37,155.78 million as of March 31, 2025, to ₹50,849.95 million as of March 31, 2026, primarily driven by profit generated during FY 2025-26, additional equity and application money received against share warrants during the year. The strengthened equity base supported the Company's balance sheet position while enabling continued investments in growth initiatives, manufacturing expansion and strategic business platforms.

Debt Position

(₹ in million)

Particulars	As on March 31, 2026	As on March 31, 2025	Change
Long-Term Debt (Current portion)	156.40	517.14	(360.74)
Long-Term Debt (non-current portion)	2,971.51	3,115.11	(143.60)
Short-Term Borrowings	10,253.42	9,225.61	1,027.81
Total Debt	**13,381.33**	**12,857.86**	**523.47**

Cash Flow

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Cash and Cash equivalents	4,661.14	3,811.00
Cash Flow from Operating Activities	7,932.50	8,665.66
Cash Flow from Investing Activities	(7,732.11)	(6,912.86)
Cash Flow from Financing Activities	3,792.87	(925.06)
Effect of Exchange Rate Changes	123.93	22.40
Cash and cash equivalents pursuant to business combination	24.05	-
Closing Cash and Cash Equivalents	8,802.38	4,661.14

Cash Flow from Operations

Cash flow from operations for FY 2025-26 stood at ₹7,932.50 million compared to ₹8,665.66 million in FY 2024–25. The Company continued to generate healthy operating cash flows during the year, supported by improved profitability, operational efficiencies and favourable product mix despite higher working capital requirements and investments in growth initiatives.

Capital Expenditures (Capex)

Capital expenditure during FY 2025-26 remained focused on strengthening manufacturing infrastructure, expanding formulation capacities and enhancing peptide/CDMO capabilities. Investments were directed towards the Genome Valley facility, digital and quality infrastructures and strategic growth initiatives including the integration and expansion of Senn Chemicals AG under the Ascelis platform.

Financial Ratios

Particulars	As on March 31, 2026	As on March 31, 2025	% Variance	Reason for Variance (if more than 25%)
Debtors Turnover	5.80	4.65	25%	-
Inventory Turnover	3.56	3.39	5%	-
Interest Coverage Ratio	7.95	7.10	12%	-
Current Ratio	1.80	1.56	15%	-
Debt Equity Ratio	0.26	0.35	(25%)	-
EBITDA Operating Profit Margin (%)	22.1%	21.1%	5%	-
Net Profit Margin (%)	11.1%	11.2%	(1%)	-
Return on Net Worth (%)	12.2%	14.4%	(15%)	-

Internal Control Systems and Adequacy

Given 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-fifth Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended on March 31, 2026.

FINANCIAL RESULTS:

The Company's financial performance for the year ended on March 31, 2026 is summarised below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations	34,739.60	30,301.63	53,656.42	44,816.08
Other Income	498.03	406.80	203.29	129.19
Total Income	**35,237.63**	**30,708.43**	**53,859.71**	**44,945.27**
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)*	7,617.25	6,362.34	11,954.77	9,889.05
Less: Finance Costs	614.38	627.80	1,143.54	1,032.38
Less: Depreciation & Amortisation	1,644.73	1,462.30	2,961.42	2,255.01
Profit Before Tax	5,358.14	4,272.24	7,849.81	6,601.66
Less: Tax Expenses	1,351.47	1,078.88	1,899.60	1,586.50
Profit for the year	4,006.67	3,193.36	5,950.21	5,015.16
Dividends paid	(363.97)	(363.55)	(363.97)	(363.55)

*Including exceptional item and other income

Note: The above figures are extracted / computed 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 ₹ 34,739.60 million in FY 2025-26 as against ₹ 30,301.63 millon for FY 2024-25 and the net profit after tax was ₹ 4,006.67 million in FY 2025-26 as against ₹ 3,193.36 million for FY 2024-25.

Consolidated Financial Summary: On a consolidated basis, the revenue from operations was ₹ 53,656.42 million in FY 2025-26 as against ₹ 44,816.08 million for FY 2024-25 and the net profit after tax was ₹ 5,950.21 million in FY 2025-26 as against ₹ 5,015.16 million for FY 2024-25.

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 64.34% while Pharmaceutical Finished Intermediates (PFI) and Active Pharmaceutical Ingredients (API) contributed 15.54% and 20.12% respectively while it was 65.20%, 14.68% and 20.12% for FD, PFI and API respectively for the FY 2024-25.

In FY 2025-26, the Company filed six ANDAs with the USFDA, three 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 two tentative USFDA approvals and four approvals in Europe. The management believes that it will continue to strengthen its position through dedicated research and the launch of new products.

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 ₹1.75/- per equity share (Face value ₹ 1/- per equity share) for the financial year 2025-26.

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 24,77,96,921 equity shares of ₹ 1/- each.

The Company had allotted the below mentioned equity shares during the year under review:

- 1,25,000 equity shares of ₹ 1/- each upon the exercise of an equal number of stock options by the employees pursuant to the Employees Stock Option Scheme(s) of the Company.
- 51,28,205 equity shares of ₹ 1/- each on preferential basis to members of the Non- Promoter caregorey investors.

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 ₹ 10,85,815/- (Ten Lakhs Eighty five Thousand eight hundred and fifteen rupees only) pertaining to the final dividend for the financial year 2017-18 and up to the third interim dividend for the financial year 2018-19 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 10,793 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/.

Further, in accordance with the IEPF Rules, the Board of Directors has appointed Nodal Officer of the Company for the purposes of verification of claims of shareholders pertaining to shares transferred to IEPF and/or refund of dividend from IEPF Authority. The details of Ms. Chaitanya Tummala, Nodal Officer is available on the website of the Company.

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 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 2025-26, the consolidated turnover of GPI was ₹ 36,590.01 million against the turnover of ₹ 29,316.10 million for FY 2024-25 and the profit after tax is ₹ 3,348.52 million against ₹ 1,698.15 million for FY 2024-25.

Granules USA, Inc., together with Granules Consumer Health, LLC. has been merged with Granules Pharmaceuticals, Inc. with effect from April 01, 2025. As a result of this merger, Granules Consumer Health LLC became a 100% subsidiary of GPI. During the year GPI also incorporated a wholly owned subsidiary in Canada titled "Granules Pharmaceuticals Canada, Inc."

During the year FY 2025-26, GPI filed three ANDAs with USFDA, approvals for which are awaited.

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 undergone two FDA inspections in the months of July & Decemeber, 2025 and Establishment Inspection Report (EIR) was received from the USFDA for both the inspections with Voluntary Action Indicated (VAI) category. The facility has a capacity of 10 billion dosage units per annum.

During the FY 2025-26, the Company achieved a turnover of ₹ 2,119.23 million against the turnover of ₹ 621.23 million for FY 2024-25 and the profit after tax is ₹ 118.71 million against ₹ 55.19 million for FY 2024-25.

Granules CZRO Private Limited

Granules CZRO Private Limited is a wholly-owned Indian subsidiary of the Company was established for manufacturing green chemicals. It has successfully commissioned the pilot plant for Dicyandiamide (DCDA) at Visakhapatnam and achieved its objectives of establishing Indigenous Technology for DCDA production. However, it is in the process of improving the Technology to further optimise on cost of Production by developing a first-of-its-kind continuous process for DCDA production.

In addition, the Company has developed alternate continuous manufacturing process technology for para-aminophenol (PAP) first time in the country and is in the process of executing a pilot plant 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.

Ascelis Peptides Private Limited

Ascelis Peptides Private Limited is a wholly owned Indian subsidiary of the Company and operates as the Group's integrated global peptides CDMO platform. The Company was established for the acquisition of M/s. Senn Chemicals AG, Switzerland, which was completed in April, 2025. Building on decades of Swiss peptide expertise, Ascelis provides end to end development and manufacturing solutions for complex peptide APIs, amino acid derivatives and peptide fragments, serving pharmaceutical, cosmetic and theragnostic segments. During the year under review, the Company progressed with post acquisition integration and strengthened its India based research and development footprint, including the establishment of a Centre of Excellence for peptide development and characterisation at IIT Hyderabad.

Granules Pharmaceutical, Gmbh

During the year under review, the Company acquired M/s. Optus 1039. GmbH in Frankfurt, Germany for strategic entry into the B2C segment and to strengthen consumer engagement and drive focused growth across key European markets in the European region. Subsequently the name of M/s. Optus 1039 has been changed to Granules Pharmaceuticals GmbH.

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/2022/03/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 Granules Pharmaceuticals, Gmbh 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 2025-26 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, 2026, 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, 2026 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, 2026;

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 2025-26 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/2025/12/CSR-Policy.pdf

During the year under review, the Company has spent ₹ 112.73 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/2025/11/Performance-Evaluation-And-Remuneration-Policy-2025-final.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, Ms. Priyanka Chigurupati, (DIN: 01793431) Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Board recommends the above re-appointment to the shareholders. The notice convening the 35th Annual General Meeting to be held on August 06, 2026 sets out the details.

Cessation

Dr. Kandiraju Venkata Sitaram Rao ceased to be Joint Managing Director & CEO of the Company consequent to his resignation from his office with effect from August 01, 2025.

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 core management team. 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

Ms. Uma Devi Chigurupati - Executive Director

Mr. Harsha Chigurupati - Executive Director

Ms. 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 2025-26. 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, 2026 (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	1,00,000	25,000
(e)	Total number of shares arising as a result of the exercise of options	1,00,000	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	97,00,000	88,25,000
(j)	Total number of options in force	64,02,528	1,50,000
(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.	₹ 16.47 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	₹ 97.00/- 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

M/s. Saurabh Poddar & Associates, Company Secretaries (Registration No. S2012AP177700) was appointed as the secretarial auditor of the Company for a period of 5 (five) consecutive years, at the 34th Annual General Meeting held on Augsut 07, 2025. Further, Mr. Saurabh Poddar, Proprietor of M/s. Saurabh Poddar & Associates, Company Secretaries had confirmed that he meets the criteria for continuing as secretarial auditor as specified in regulation 24 (A) of listing regulations, section 203 and all other applicable provisions of the Act.

The secretarial audit report of the Company and its material unlisted Indian subsidiary for the financial year ended March 31, 2026 is annexed herewith as **Annexure III** to the Board's report. The secretarial audit report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Meetings of the Board

Seven 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/2026/02/GIL-Whistle-blower-policy-Jan-2026.pdf

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Chairman & Managing Directors 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, 2026 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 35th 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.

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, two concern(s)/complaint(s) were 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.

The Code on Social Security, 2020 -Maternity benefit

The Company is in compliance with the applicable provisions relating to maternity benefits as prescribed under the Maternity Benefit Act, 1961/ the Code on Social Security, 2020.

Declaration on funds raised through Preferential Allotment and utilisation of such funds during the year under review

Pursuant to the approval of the Board in their meetings held on December 23, 2025 & January 13, 2026, approval of the shareholders in the Extraordinary General Meeting held on January 22, 2026 and In-Principal approval for the preferential issue received from the stock exchanges dated February 10, 2026, the following securities were allotted in the meeting of the Share Transfer and Stakeholders Relationship Committee of the Board of Directors held on February 23, 2026 upon receipt of the subscription amount i.e., ₹365.625 crores for convertible warrants (25% of the consideration of the warrants) & ₹ 300 crores for equity shares.

- Allotment of 2,50,00,000 convertible warrants on preferential basis to the members of Promoter group and Non-Promoter investor category, convertible into equivalent number of fully paid equity shares of the Company having face value of ₹1/- (Rupee one only) each, in one or more tranches within a period of 18 months from the date of allotment of convertible warrants.
- Allotment of 51,28,205 fully paid-up equity shares of the Company at face value of ₹1/- (Rupee one only) each to the members of the non-promoter category, on a preferential basis.

The object of the preferential issue was to utilize the proceeds to meet the funding of business operations i.e., capital expenditure, operating expenses, investment in wholly owned subsidiary for its repayment of loan & working capital requrirement and/or for general corporate purposes of the Company.

During the financial year 2025-26, no warrants were converted into Equity Shares.

The proceeds realized upon preferential issue has not been fully utilized by the Company and the details of the utilisation has been provided in Coporate Governance section of this annual report.

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.
- Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries during the financial year 2025-26.
- 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 2025-26.
- 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 workmen at all levels.

On behalf of the Board of Directors

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, April 29, 2026

ANNEXURE I TO BOARD'S REPORT: CSR REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025-26 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. **Brief outline of CSR Policy of the Company:** Granules ensure to operate its business in an economically, socially & environmentally sustainable manner by enhancing the quality of life & economic wellbeing of the society in fulfillment of its role as a Socially Responsible Corporate.

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.	Ms. 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.	Ms. 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): **₹ 5625.25 million**

   (b) Two percent of the average net profit of the company as per section 135 (5): **₹ 112.51 million**

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **₹ 0.23 million**

   (d) Amount required to be set off for the financial year: **₹ 0.23 million**

   (e) Total CSR obligation for the financial year (5b-5d): **₹ 112.28 million**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (₹): **Not Applicable**

   (b) Amount spent on Administrative Overheads: **Not Applicable**

   (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**

   (d) Total amount spent for the Financial Year (6a+6b+6c): **Not Applicable**

   (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
₹ 112.73 million	Not Applicable			Not Applicable	

   (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)	112.51
(ii)	Total amount spent for the Financial Year 2025-26	112.73
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.22
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0.23
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	0.45

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.	2022-23	-	-	-	-	-	-
2.	2023-24	-	-	-	-	-	-
3.	2024-25	-	-	-	-	-	-
	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
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

Place : Hyderabad
Date: April 29, 2026

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 by the Board of Directors & Members 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, 2026.

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: F009190H000164576

Place: Hyderabad
Date: April 21, 2026

ANNEXURE-III TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2026

[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 2026 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 2026 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;

(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:

Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India

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 and Independent Directors. There was no change the composition of the Board of Directors during the period under review.

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: F009190H000231324

Place: Hyderabad
Date: 29-04-2026

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: F009190H000231324

Place: Hyderabad
Date: 29-04-2026

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2026

[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 2026 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 2026 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.

We 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 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.

During the period under audit, provisions of the following Acts, Rules and Regulations were not applicable to the Company:

i. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent they related to Foreign Direct Investment and External Commercial Borrowings;

ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -

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.

iii. The Company has not entered into any listing agreements with the stock exchanges.

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under audit were carried out in compliance with the provisions of the Act.

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 were received for scheduling meeting at a shorter notice.

Agenda and detailed notes on agenda were also sent to all the directors of the Company at least seven days in advance, except where consent of directors were received for circulation of the Agenda and notes on Agenda at a shorter notice. A system exists for seeking and obtaining further information and clarifications 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.

We 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.

We 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: F009190H000231324

Place: Hyderabad
Date: 29-04-2026

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: F009190H000231346

Date: 29-04-2026
Place: Hyderabad

ANNEXURE-IV TO 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 Pharmaceuticals, Inc.*	Sale of goods	FY 2025-26	14,721.28	March 25, 2025	NIL	The transaction is at arm's length price
		Purchase of Goods		497.72			
		Technical, manufacturing know how and R&D support		566.51			
		Management and Support activity		417.78			
		Cross Charge		20.46			
2.	Granules Consumer Health, LLC.**	Sale of goods	FY 2025-26	2,975.03	March 25, 2025	NIL	The transaction is at arm's length price
		Cross Charge		16.14			
3.	Product Armor Packaging Private Limited #	Purchase of Goods	FY 2025-26	396.74	March 25, 2025	NIL	The transaction is at arm's length price
4.	Granules Life Sciences Private Limited*	Sale of goods	FY 2025-26	529.59	March 25, 2025	NIL	The transaction is at arm's length price
		Purchase of Goods		12.39			
		Sale of asset		96.25			
		Purchase of asset		136.39			
5.	Granules CZRO Private Limited*	Sale of goods	FY 2025-26	0.02	March 25, 2025	NIL	The transaction is at arm's length price
		Purchase of Goods		0.22			
		Sale of asset		0.21			
		Cross charge (expense)		23.25			
6.	Chigurupati Family Trust#	Rent & Maintenance	FY 2025-26	75.65	March 25, 2025	NIL	The transaction is at arm's length price
7.	Matal PTE Limited#	Sale of goods	FY 2025-26	0.69	March 25, 2025	NIL	The transaction is at arm's length price

*wholly owned Foreign/ Indian Subsidiary of the Company.

** wholly owned foreign step-down subsidiary of the Company.

Enterprise over which key managerial personnel/ Director or their relative exercise significant influence.

On behalf of the Board of Directors

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, April 29, 2026

ANNEXURE V TO 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 FY 2025–26, Granules India Limited undertook focused energy conservation, efficiency improvement, and renewable energy initiatives across its manufacturing sites, delivering measurable environmental and financial benefits. The Company achieved total energy savings of 2,309,552 kWh, resulting in a GHG emission reduction of 1,640 tCO_2e through energy efficiency measures. Further, increased adoption of renewable electricity contributed to an additional 6,027 tCO_2e reduction in Scope 2 emissions. Additionally, for offsetting emissions, Granules procured 80,000 MWh of I-RECs for its API, FD, and R&D units, resulting in a reduction of approximately 56,800 tCO_2e of GHG emissions. Collectively, these initiatives generated annual cost savings of approximately ₹176.4 lakhs, and the avoided GHG emissions is 64,467 tCO_2e strengthened energy resilience, and supported alignment with statutory disclosures and ESG reporting requirements under BRSR, GRI, and global rating frameworks.

The Gagillapur unit was the major contributor to energy and emissions performance through a combination of renewable energy adoption and system efficiency improvements. Key initiatives included rooftop solar generation of 1,203 MWh, procurement of 7,286 MWh renewable electricity through PPA, replacement of conventional AHU blowers with energy efficient EC+ blowers, installation of a high efficiency air compressor, and compressed air pressure optimization. These measures resulted in energy savings of 1,548,078 kWh, GHG reduction of 1,099 tCO_2e from efficiency initiatives and 5,885 tCO_2e from renewable electricity, along with annual cost savings of ₹111.6 lakhs.

At the Bonthapally unit, energy optimization efforts focused on HVAC systems, utilities, and process efficiency. Key measures included replacement of AHU blowers with energy efficient Aeronaut blowers, interlocking of chillers and RT pumps, installation of temperature controllers in cleanroom AHUs, deployment of IRIS controllers for air compressors, and installation of an auto tube cleaning system for refrigeration units. These initiatives delivered energy savings of 758,830 kWh, corresponding to a GHG reduction of 538.7 tCO_2e, and annual cost savings of ₹64.6 lakhs.

Energy conservation initiatives at the Parawada unit-IV included replacement of conventional street lighting with energy efficient bollard lights, adoption of BLDC motors for canteen sealing fans, and automation of capacitor banks to achieve unity power factor. These measures resulted in energy savings of 2,644 kWh, GHG reduction of 2 tCO_2e, and annual cost savings of ₹0.5 lakhs.

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 new 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 till 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 towards controlling of Genotoxic and nitrosamine impurities 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)

	FY2025-26	FY2024-25
Capital	101.32	96.24
Revenue	1,837.33	1,724.61
Total	**1,938.65**	**1,820.85**

Updates on the Research & Development activities of the Company are provided below:

This year marked a decisive step in our evolution toward a fully integrated pharmaceutical organization. We further advanced our strategic transformation from a leading supplier of APIs and PFI to a fully integrated manufacturer of finished dosage forms, anchored by sustained investments in Research and Development. Our R&D teams continue to convert science and technology into regulatory-compliant products and robust, scalable manufacturing processes that meet global standards. Backed by a strong foundation of experienced scientific talent and an innovation-driven culture, R&D remains the central engine driving execution momentum and long-term growth. In parallel, we enhanced our research capabilities and broadened our product portfolio to address emerging opportunities across key global markets. Our integrated product, process and market led strategy provides a clear competitive advantage positioning us as a differentiated partner offering both drug substance and drug product solutions and reinforcing our long-term global growth ambitions.

2025- 26 – Highlights

In the API division, we filed a total of 47 (6 in FY 25-26) 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, 21 (Certificates of Suitability ("CEPs") with the European Directorate for the Quality of Medicines ("EDQM") and 10 (1 in FY 25-26) European Drug Master Files ("EDMFs") in Europe, 12 (2 in FY 25-26) Korean Drug Master files, 7 China Master Files, 5 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 expanding our oncology portfolio we have completed development of 3 new products.
- As part of our control substances expansion, we have developed 2 new APIs towards vertical integration to FD. The products are developed in our controlled substances lab and validated in unit IV facility. We have filed US DMF of one of the control substance products which is developed in our R & D and validated at our CMO partner, USA.
- As part of the green initiative, the Bio-catalysis group which is actively working on the development and scale up of enzymes for APIs and intermediates. The team has successfully developed immobilization technology towards development of re-usable biocatalyst.
- A dedicated fermentation group is created for the development of Peptides and the development of enzymes for Biocatalysis. This group has successfully developed optimized and scaled up an enzyme for one of the API intermediates. Using the same enzyme we have successfully completed validation of the product in our unit-V facility.
- To strengthen our capabilities in crystal morphology studies, and particle engineering, we have established centre of excellence at IIT Hyderabad. This group is dedicated for developing novel polymorphic form of APIs and addressing any particle challenges in our APIs.
- Ascelis Peptides Private Limited, the CDMO arm of Granules is working in close collaboration with Senn Chemicals AG, Switzerland. We also established Ascelis R & D centre at IIT Hyderabad, whose primary focus being peptide development.

Industry Academia collaboration

During the period under review, the Company, in partnership with the National Institute of Pharmaceutical Education and Research (NIPER), S.A.S Nagar, inaugurated Dr. Chigurupati Centre of Excellence in Innovative and Sustainable Pharmaceutical Development (CCE-ISPD)—a initiative that empowers students and researchers with cutting-edge facilities and resources to foster eco-friendly pharmaceutical manufacturing innovation. The Centre focuses on reducing the carbon footprint in formulation production, creating intellectual property in sustainable technologies, training next-generation scientists, and setting new industry benchmarks in sustainable manufacturing, reinforcing the Company's commitment to integrating sustainability into its core operations and supporting long-term sustainable growth.

Intellectual property

Towards the Journey to build Granules' intellectual property assets, we have filed one hundred and thirty-nine (139) patent applications in total and currently hold ten granted patents. During the year under review, we have filed a total of twenty-two patent applications, which include India: 08, International (PCT): 05, USA: 05 and Other Countries: 04.

Dosage Form

In the Finished Dosage Form (FDF) division, Granules owns a total of 91 ANDAs with the U.S. FDA, including 6 filings in FY 2025–26. Of these, 71 ANDAs are approved while 20 ANDAs are currently under regulatory review, reflecting a strong approval conversion rate and sustained pipeline progression.

Leveraging the U.S. ANDA portfolio for global expansion, Granules has continued to extend filings into regulated and semi-regulated markets. In Europe, a total of 25 applications

has been filed (including 3 in FY 2025–26), with 14 approvals secured and 11 applications under review. In Canada, 8 applications have been filed to date, of which 7 are approved and 1 application is under review, demonstrating effective dossier quality and alignment with Health Canada requirements.

Across other international markets, including South Africa, Saudi Arabia, Zimbabwe, Chile, Hong Kong, and Australia, Granules has filed 24 applications, of which 15 were filed in FY 2025–26. Of these, 5 approvals have been granted, with 19 applications under active review, supporting continued geographic diversification of the portfolio.

During FY 2025–26, Granules secured a total of 9 regulatory approvals, comprising 2 approvals from the U.S. FDA, 4 approvals from European regulatory authorities, and 3 approvals from Rest-of-World (RoW) markets. These on-time approvals underscore the robustness, quality, and regulatory compliance of Granules' ANDA and global dossier submissions, reinforcing the organization's strong execution capability and regulatory credibility across markets.

Way Forward

As we look ahead, we will build on our deep scientific knowledge and proven execution capabilities in our core product portfolio to strategically expand into new dosage forms and global markets. This evolution is designed not only to unlock economies of scale, but also to systematically de-risk our business by reducing market concentration and broadening our geographical footprint.

This strategic intent has already begun to translate into action. During the year, we successfully advanced this agenda with three dossier filings in the European market, establishing a strong foundation for accelerated filings across additional regulated and emerging markets in the coming years. These milestones reflect our disciplined approach to portfolio expansion—where scientific strength, regulatory foresight, and commercial relevance converge.

Looking forward, we will sharpen our focus on identification and development of complex, differentiated products with limited competition, while simultaneously driving process excellence and efficiency enhancements across our existing portfolio. This dual approach—innovation at the front end and efficiency at the back end—will enable us to sustain a structural competitive advantage in increasingly demanding global markets.

A key pillar of our future growth will be the continued advancement of our technical and regulatory capabilities, allowing us to significantly increase the quality, speed, and volume of regulatory filings. With an enhanced R&D engine, strengthened scientific depth, and a more agile development framework, we aim to deliver a robust, diversified pipeline aligned to priority global markets.

By placing R&D at the center of our long-term strategy, we will accelerate product registrations, lifecycle expansions, and market penetration, while reinforcing our position as a trusted global partner. This clear, execution-driven roadmap positions us to scale sustainably, innovate responsibly, and strengthen our global presence, creating long-term value for customers, partners, and stakeholders alike.

C – TOTAL FOREIGN EXCHANGE EARNED AND USED

(₹ in Million)

Particulars	FY 2025-26	FY 2024-25
Foreign Exchange Earnings	33,334.21	28,144.26
Foreign Exchange Outgo	9,387.36	8.068.51

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 2025-26:

Sl. No.	Name of the Director/KMP	Designation	% increase in remuneration in the FY 2025-26	Ratio of remuneration of each Director /KMP to the median remuneration of employees
1	Dr. Krishna Prasad Chigurupati	Chairman & Managing Director	19.76	525.20
2	Ms. Uma Devi Chigurupati	Executive Director	19.76	52.52
3	Mr. Harsha Chigurupati	Executive Director	19.76	52.52
4	Ms. Priyanka Chigurupati	Executive Director	19.76	52.52
5	Mr. K. B. Sankar Rao	Non-Executive, Non-Independent Director	34.36	7.24
6	Mr. Arun Sawhney	Non-Executive, Independent Director	42.31	8.22
7	Dr. Saumen Chakraborty	Non-Executive, Independent Director	46.18	7.80
8	Ms. Sucharita Rao Palepu	Non-Executive, Independent Director	32.95	6.50
9	Mr. Kapil Kumar Mehan	Non-Executive, Independent Director	46.18	7.80
10	Dr. Sethurathnam Ravi	Non-Executive, Independent Director	46.04	7.52
11	Mr. Rajiv Pritidas Kakodkar	Non-Executive, Independent Director	35.21	7.11
12	Mr. Mukesh Surana	Chief Financial Officer	7.25	69.85
13	Ms. Chaitanya Tummala	Company Secretary	8.96	11.04

*Dr. Kandiraju Venkata Sitaram Rao ceased to be Joint Managing Director & CEO of the Company with effect from August 01, 2025. Hence, percentage increase in remuneration & median to remuneration is not applicable.

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 employees increased by 8 % in the financial year 2025-26.

iii). The number of permanent employees on the rolls of the Company as of March 31, 2026, is 4,377.

iv). The average percentage increase in the salaries of employees other than managerial personnel for the financial year 2025-26 was 9.40% as compared to the financial year 2024-25. There was an increase of 0.43 % in the total remuneration of Executive Directors and KMP for the financial year 2025-26.

v). It is hereby confirmed that the remuneration to the Directors and KMP for the financial year 2025-26 is as per the performance evaluation and remuneration policy of the Company.

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, April 29, 2026

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 stakeholder's 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 Executive Directors and a core management team (CMT).

Board Leadership

The Board consists of eleven Directors, comprising (i) Four 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, 2026, the Board of Directors comprised eleven 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.	Ms. Uma Devi Chigurupati* DIN – 00737689	Non-Independent, Executive
3.	Mr. Harsha Chigurupati* DIN – 01606477	Non-Independent, Executive
4.	Ms. Priyanka Chigurupati* DIN-01793431	Non-Independent, Executive
5.	Mr. Kolli Basava Sankar Rao DIN – 05167550	Non-Independent, Non-Executive
6.	Mr. Arun Sawhney DIN – 01929668	Independent, Non-Executive
7.	Dr. Saumen Chakraborty DIN-06471520	Independent, Non-Executive
8.	Ms. Sucharita Rao Palepu DIN – 078077178	Independent, Non-Executive
9.	Mr. Kapil Kumar Mehan DIN-01215092	Independent, Non-Executive
10.	Dr. Sethurathnam Ravi DIN-00009790	Independent, Non-Executive
11.	Mr. Rajiv Pritidas Kakodkar DIN-01519590	Independent, Non-Executive

*Promoter Director

Dr. Kandiraju Venkata Sitaram Rao (DIN -08874100) ceased to be Joint Managing Director & CEO of the Company with effect from August 01, 2025.

Ms. Uma Devi Chigurupati is the spouse of Dr. Krishna Prasad Chigurupati. Mr. Harsha Chigurupati and Ms. Priyanka Chigurupati are the son & daughter of Dr. Krishna Prasad Chigurupati & Ms. Uma Devi Chigurupati. None of the other Director is related to any other Director on the Board.

During the financial year 2025-26, 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, 2026.

Mr. Arun Sawhney was the Lead Independent Director during the financial year 2025-26.

Meetings of Independent Directors

The Company's Independent Directors met twice during the financial year 2025-26 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 are 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

Seven (7) 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 28, 2025	12	12
August 12, 2025	11	11
November 13, 2025	11	10
December 23,2025	11	11
January 13, 2026	11	11
January 23, 2026	11	10
March 30, 2026	11	11

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 2025 – March 2026 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 2025-26		Number of Directorships in Other Public Companies	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies as on 31-03-2026
		Board	AGM	(1)	(2)
Dr. Krishna Prasad Chigurupati Chairman & Managing Director DIN – 00020180	Non-Independent, Executive	7	Yes	NIL	NIL
Ms. Uma Devi Chigurupati DIN – 00737689	Non-Independent, Executive	7	Yes	NIL	NIL
Mr. Harsha Chigurupati DIN – 01606477	Non-Independent, Executive	7	Yes	NIL	NIL
Ms. Priyanka Chigurupati DIN-01793431	Non-Independent, Executive	6	Yes	NIL	NIL
Mr. Kolli Basava Sankar Rao DIN – 05167550	Non-Independent, Non-Executive	7	Yes	NIL	NIL
Mr. Arun Sawhney DIN – 01929668	Independent, Non-Executive	7	Yes	NIL	NIL
Dr. Saumen Chakraborty DIN-06471529	Independent, Non-Executive	7	Yes	1 (One)	1 (1 as Chairman)
Ms. Sucharita Rao Palepu DIN- 07807717	Independent, Non-Executive	6	Yes	1 (One)	NIL
Mr. Kapil Kumar Mehan DIN-01215092	Independent, Non-Executive	7	Yes	2 (Two)	NIL
Dr. Sethurathnam Ravi DIN-00009790	Independent, Non-Executive	7	No	8 (Eight)	9 (4 as Chairman)

Name	Category	Attendance at meetings During the FY 2025-26		Number of Directorships in Other Public Companies	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies as on 31-03-2026
		Board	AGM	(1)	(2)
Mr. Rajiv Pritidas Kakodkar DIN-01519590	Independent, Non-Executive	7	Yes	NIL	NIL
Dr. Kandiraju Venkata Sitaram Rao DIN-08874100*	Non-Independent, Executive	1	N.A.	N.A.	N.A.

*Dr. Kandiraju Venkata Sitaram Rao ceased to be Joint Managing Director & CEO of the Company with effect from August 01, 2025.

(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	Ms. Uma Devi Chigurupati	Nil	-
3	Mr. Harsha Chigurupati	Nil	-
4	Ms. Priyanka Chigurupati	Nil	-
5	Mr. Kolli Basava Sankar Rao	Nil	-
6	Mr. Arun Sawhney	Nil	-
7	Dr. Saumen Chakraborty	1 (One)	Independent Director at: ● Krishna Institute of Medical Sciences Limited
8	Ms. Sucharita Rao Palepu	Nil	-
9	Mr. Kapil Kumar Mehan	1 (One)	Independent Director at: ● Punjab Chemicals and Crop Protection Limited
10	Dr. Sethurathnam Ravi	5 (Five)	Independent Director at: ● Aditya Birla Money Limited ● PCBL Chemical Limited ● Usha Martin Limited Non-Executive- Non-Independent Director at: ● String Metaverse Limited ● Tourism Finance Corporation of India Limited
11	Mr. Rajiv Pritidas Kakodkar	Nil	-

Shares held by Non-Executive Directors:

The number of equity shares of the Company held by Non-Executive Directors, as of March 31, 2026 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	1.38
2.	Mr. Arun Sawhney	Nil	Nil
3.	Dr. Saumen Chakraborty	Nil	Nil
4.	Ms. Sucharita Rao Palepu	Nil	Nil
5.	Mr. Kapil Kumar Mehan	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.	Ms. Uma Devi Chigurupati	✓	✓	✓		✓	✓
3.	Mr. Harsha Chigurupati	✓	✓	✓	✓	✓	✓
4.	Ms. Priyanka Chigurupati	✓	✓	✓	✓	✓	✓
5.	Mr. Kolli Basava Sankar Rao	✓	✓	✓	✓	✓	✓
6.	Mr. Arun Sawhney	✓	✓	✓	✓	✓	✓
7.	Dr. Saumen Chakraborty	✓	✓	✓	✓	✓	✓
8.	Ms. Sucharita Rao Palepu	✓		✓		✓	✓
9.	Mr. Kapil Kumar Mehan	✓	✓	✓	✓	✓	✓
10.	Dr. Sethurathnam Ravi	✓		✓		✓	✓
11.	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 rsesponsibilities 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 2025 – March 2026, 5 (Five) Committee meetings were held. The dates on which the said meetings were held are May 28, 2025, Auggut 12, 2025, November 12, 2025, January 23, 2026 and March 30, 2026. The Committee at its meeting held on May 28, 2025 had considered the audited annual accounts for the financial year 2024-25.

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 2025–2026	
		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 34th Annual General Meeting of the Company held on August 07, 2025.

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. The Committee also review with management 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 2025-26 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 2025 – 2026. The dates on which the said meetings were held are May 27, 2025, June 06, 2025, August 11, 2025 and November 12, 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 2025–26	
		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 34th Annual General Meeting of the Company held on August 07, 2025.

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.

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 2025- March 2026. The composition of the Committee during the year April 2025 – March 2026 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2025-26	
		Held	Attended
Mr. Kapil Kumar Mehan, Chairman	Independent, Non-Executive	03	03
Ms. 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 34th Annual General Meeting of the Company held on August 07, 2025.

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 2025-26, 3 (Three) 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, 2026.

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 2025- March 2026. The composition of the Committee during the year April 2025 – March 2026 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2025-26	
		Held	Attended
Ms. Uma Devi Chigurupati, Chairperson	Non-Independent, Executive	01	01
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	01	01
Ms. 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 the Company at 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 2025- March 2026. The composition of the Committee during the year April 2025 – March 2026 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2025-26	
		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. Kandiraju Venkata Sitaram Rao ceased to be member of the Committee upon his resignation to the position of Joint Managing Director & CEO of the Company with effect from August 01,2025.

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. 03 (Three) meetings of the Committee were held during the financial year April 2025 - March 2026. 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 2025-26	
		Held	Attended
Mr. K.B. Sankar Rao, Chairman	Non-Independent, Non-Executive	03	03
Mr. Arun Sawhney	Independent, Non-Executive	03	03
Mr. Rajiv Pritidas Kakodkar	Independent, Non-Executive	03	03
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	03	03
Ms. Priyanka Chigurupati	Non-Independent, Executive	03	02

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/2025/11/Performance-Evaluation-And-Remuneration-Policy-2025-final.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 2025-26

(₹ in Millions)

Particualrs	Salary		Perquisites	Commission	Total
	Fixed	Variable			
Dr. Krishna Prasad Chigurupati Chairman & Managing Director	21.60	-	1.73	260.27	283.61
Ms. Uma Devi Chigurupati Executive Director	6.00	-	0.02	22.34	28.36
Mr. Harsha Chigurupati Executive Director	2.34	-	0.06	25.96	28.36
Ms. Priyanka Chigurupati Executive Director	19.27	-	0.03	9.06	28.36
Dr. Kandiraju Venkata Sitaram Rao	8.11	15.40	-	-	23.51

*Dr. Kandiraju Venkata Sitaram Rao ceased to be Joint Managing Director & CEO of the Company with effect from August 01, 2025.

Service Contract, Severance Fees, and Notice Period

Terms of Agreement	Dr. Krishna Prasad Chigurupati	Mr. Harsha Chigurupati	Ms. Uma Devi Chigurupati	Ms. Priyanka Chigurupati
Period of Contract	5 years up to August 31, 2029	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	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 2025-26

During the FY 2025-26, the Company paid sitting fees of ₹1,00,000 per meeting to the Non-Executive Directors for attending each meeting of the Board and ₹ 75,000 per meeting for attending each meeting of the 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 2025-26 and the commission paid/provided during the period under review:

(₹ in Millions)

Name	Sitting fee	Commission
Mr. Kolli Basava Sankar Rao	1.075	2.836
Mr. Arun Sawhney	1.600	2.836
Dr. Saumen Chakraborty	1.375	2.836
Ms. Sucharita Rao Palepu	0.675	2.836
Mr. Kapil Kumar Mehan	1.375	2.836
Dr. Sethurathnam Ravi	1.225	2.836
Mr. Rajiv Pritidas Kakodkar	1.000	2.836

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
34th	2024-25	Held Through VC/OAVM	07/08/2025	11:30 AM	0
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

Extraordinary General Meetings

The details of preceding three years Extra-ordinary General Meetings are as under:

Year	Location	Date	Time	Number of special resolutions passed
2025-26	Held Through VC/OAVM	22/01/2026	11:30 AM	2

POSTAL BALLOT

For the year ended March 31, 2026 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

DISCLOSURES

i) Related party transactions

All related party transactions that were entered into during FY 2025-26 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/2025/02/Granules-Related-Party-Transactions-Policy-Updated-24.01.2025.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/2025/11/GIL-Whistle-blower-policy-Nov-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, 2026. A declaration to this effect, signed by the Chairman & Managing Director 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/2025/11/Code-of-Conduct-for-Board-SMP.pdf

viii) CMD and CFO certification

The Chairman & Managing Director 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 April 29, 2026.

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

During the period under review, the Company has raised funds through preferential allotment by way of issuing equity shares and convertible warrants. The details of the funds raised and utilized are provided below:

EQUITY SHARES

The Company issued & alloted 51,28,205 fully paid-up equity shares of the Company of having face value of ₹ 1/- (Rupee one only) each to the members of the non-promoter investor category at a price of ₹ 585/- each and raised the funds aggregating to ₹ 3,000 million.

(₹ in Million)

Sr. No.	Particulars	Amount Allocated & Received	Amount Utlized in FY26
1.	Funding of Business Operations		
A.	Investment in M/s. Granules Life Sciences Private Limited (a wholly owned Indian subsidiary of the Company) for prepayment of term loan	2,250	NIL
2.	General Corporate Purposes	750	442.10
	TOTAL	**3,000**	**442.10**

CONVERTIBLE WARRANTS

The Company issued & alloted 2,50,00,000 convertible warrants of the Company at a price of ₹ 585/- each to the members of Promoter group and Non-Promoter investor category, convertible into equivalent number of fully paid equity shares of the Company having face value of ₹ 1/- (Rupee one only) each, in one or more tranches within a period of 18 months from the date of allotment of convertible warrants.

An amount equivalent to 25% of the consideration of the warrants i.e., ₹ 3656.25 milliom were received from the investors and the balance 75% of the total consideration shall be received at the time of conversion of the warrants into Equity Shares.

(₹ in Million)

Sl. No.	Particulars	Amount Allocated	Amount Received	Amount Utlized in FY26
1.	Funding of Business Operations			
	A Capital expenditure i.e. investments in fixed assets, infrastructure, and technology	3,000.00		50.10
	B Operating expenses for manufacturing such as Repairs and maintenance, power and fuel etc.,	3,000.00		161.70
	C Investment in M/s. Granules Life Sciences Private Limited (a wholly owned Indian subsidiary of the Company) for		3,656.25	
	- Prepayment of term loan	900.00		NIL
	- Working capital	850.00		171.20
2.	Vendor payments of direct materials, indirect materials and services including R&D expenses.	3,500.00		1,356.40
3.	General Corporate Purposes	3,375.00		NIL
	Total	**14,625.00**	**3,656.25**	**1,739.40**

Note: During the year under review, the Company made an investment of ₹ 4,000 million in M/s. Granules Life Sciences Private Limited (a wholly owned Indian subsidiary of the Company) in the form of Equity. However, the end use of this funds was not completed by end of the financial year.

During the year under review, there has been no deviation in the use of proceeds of the Preferential Issue from the objects stated in the respective offer documents as per Regulation 32 of SEBI Listing Regulations. The Company shall disclose on a quarterly basis to the Audit Committee, the uses/application of proceeds/funds raised from the aforesaid Issues and also file with the Stock Exchanges on a quarterly basis, as applicable.

The Company has not raised funds through qualified institutional placement during the financial year ended on March 31, 2026.

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 2025-26.

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, 2026:

Sl. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid in (₹ in Million)
1	Fees for Audit and related services	23.20
2	Fees for Non-Assurance Services	3.97
	Total	**27.17**

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	02
2	Number of complaints disposed of during the year	02
3	Number of cases pending as of March 31, 2026	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

Sl. No.	Name of the material Subsidiary	Date & Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor
1.	Granules Pharmaceuticals, Inc.	October 21, 2014 in the state of Delaware, USA	M/s. S.R. Batliboi & Associates LLP	With effect from April 1, 2023
2.	Garnules Life Sciences Private Limited	November 18, 2020 in the state of Telangana, India	M/s. S.R. Batliboi & Associates LLP	With effect from April 1, 2023

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 dealing in the 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
Ms. Priyanka Chigurupati	Executive Director and Head of Marketing
Mr. Harsha Chigurupati	Executive Director and Head of Transformation & Information Technology
Mr. Mukesh Surana	Chief Financial Officer
Ms. Chaitanya Tummala	Company Secretary
Mr. Vinodkumar Parur	Chief Human Resources Officer
Dr. 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, Global Head of Quality
Mr. Sanjay Kumar	President and Chief Strategy Officer

1. Mr. B. Krishna Mohan ceased to be Vice President – Head of IT of the Company w.e.f. closing hours of June 02, 2025.
2. Mr. Atul Dhavle ceased to be Chief Human Resources Officer of the Company w.e.f. closing hours of November 16, 2025.
3. Mr. Vinodkumar Parur was appointed as the Chief Human Resources Officer (CHRO) of the Company, w.e.f. November 17, 2025.
4. Mr. Harsha Chigurupati was designated as Senior Management Personnel of the Company, w.e.f. April 30, 2026.

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.

35th Annual General Meeting

Date: August 06, 2026

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

July 31, 2026 to August 06, 2026 (both days inclusive)

Dividend Payment

The final dividend for the financial year 2025-26, if declared, shall be paid /credited on or before September 04, 2026.

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 2026-27 have been paid by the Company to BSE and NSE.

The tentative calendar for the financial year 2026-27

The tentative dates of the meeting of the Board of Directors for consideration of quarterly financial results for the financial year 2026-27 are as follows:

Results	Tentative Dates
First quarter	Fourth week of July, 2026
Second quarter and half-yearly	Fourth week of October, 2026
Third quarter	Fourth week of January, 2027
Fourth quarter and annual	Fourth week of April, 2027

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 2025-26 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, 2026.

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, 2026

Category (Shares)	No. of Shareholders	No. of Shares held	Percentage of Shareholding
1 - 5000	1,58,941	2,39,09,990	9.65
5001 - 10000	543	39,38,441	1.59
10001 - 20000	226	32,49,471	1.31
20001 - 30000	113	28,47,158	1.15
30001 - 40000	61	21,56,855	0.87
40001 - 50000	37	16,27,460	0.66
50001 - 100000	87	62,86,236	2.54
100001 & ABOVE	172	20,37,81,310	82.24
TOTAL	**1,60,180**	**24,77,96,921**	**100.00**

b) Shareholding pattern category-wise as of March 31, 2026

Category	No. of Shares held	Percentage of Shareholding
Promoter & Promoter Group	9,42,03,525	38.02
Foreign Portfolio Investors	3,79,42,387	15.31
Mutual Funds, AIF, Insurance Companies, NBFC etc.	4,21,43,386	17.01
Bodies Corporate	1,41,16,757	5.70
HUF	24,17,904	0.98
Individual Shareholders	5,69,72,962	22.98
TOTAL	**24,77,96,921**	**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, 2026.

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 2026.

Employee Stock Options

The information on stock options granted by the Company and other particulars about employees' stock options during the financial year 2025-26 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: IN301330. 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, 2025.	05	10,000
2	No. of shareholders who approached the Company for the transfer of shares from the Unclaimed Suspense account during the year.	02	3,000
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	02	3,000
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, 2026.	03	7,000

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 10,793 (0.004%) equity shares to the IEPF Authority during the financial year 2025-26.

Plant locations:

1. Finished Dosage Unit:

Survery Nos:160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal-Gandimaisamma Mandal, Medchal-Malkajgiri District,Telangana, India, 500043

2. API Unit – I:

H.No. 6-5 & 6-11, Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District, Telangana, India, 502313

3. API Unit – II:

Plot No 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Hyderabad- Medchal- Malkajgiri District, Telangana, India, 500055

4. API Unit – III:

Survey No 216, H. No. 6-39 & 6-42/1, Bonthapally Village, Gummadidala Mandal, Sangareddy District, Telangana, India, 502313

5. API Unit – IV:

Plot No 8, Jawaharlal Nehru Pharma City, Tadi Village, Parawada Mandal, Anakapally District -, Andhra Pradesh, India, 531019

6. API Unit – V

Plot No.30, Jawaharlal Nehru Pharma City, Parawada Mandal, Anakapally District, Andhra Pradesh, India, 531019

R&D Centres

1. Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Hyderabad, Medchal- Malkajgiri District, Telangana, India, 500090
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, Maharashtra, India, 411057
3. H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Hyderabad, Medchal- Malkajgiri District, Telangana, India, - 500090
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, Telangana, India, 500078

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, April 29, 2026

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

I, Dr. Krishna Prasad Chigurupati, Chairman & Managing Director, 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 2025-26.

Dr. Krishna Prasad Chigurupati
Chairman & Managing Director
DIN: 00020180

Place: Hyderabad
Date: April 29, 2026

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, 2026 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. Krishna Prasad Chigurupati
Chairman & Managing Director
DIN: 00020180

Place: Hyderabad
Date: April 29, 2026

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.

I 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, 2026.

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.	Ms. Uma Devi Chigurupati	Executive Director	00737689	31-05-2012
3.	Mr. Harsha Chigurupati	Executive Director	01606477	26-07-2010
4.	Ms. Priyanka Chigurupati	Executive Director	01793431	23-01-2024
5.	Mr. Basava Sankar Rao Kolli	Non-Executive Director	05167550	19-02-2013
6.	Mr. Arun Sawhney	Independent Director	01929668	29-10-2018
7.	Dr. Saumen Chakraborty	Independent Director	06471520	13-12-2021
8.	Ms. Sucharita Rao Palepu	Independent Director	07807717	22-12-2021
9.	Mr. Kapil Mehan	Independent Director	01215092	16-05-2023
10.	Mr. Sethurathnam Ravi	Independent Director	00009790	23-01-2024
11.	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: F009190H000164345

Place: Hyderabad
Date: April 21, 2026

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 by the Board of Directors & Members 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, 2026, 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, 2026.

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 ICSI.

Certification:

4. 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: F009190H000164664

Place: Hyderabad
Date: April 21, 2026

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, 2026, 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, 2026, 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, 2026. 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 the 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, 2026 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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, 2026 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      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. 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.

As stated in note 9 to the standalone financial statements, 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 of prior year(s) 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: 26102328JFYMDC1588

Place of Signature: Hyderabad, India
Date: April 29, 2026

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 intangible 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 periodical 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, 2026.

(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 ₹ 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 standalone 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 stood guarantee to companies, the details of which are as follows:

Particulars	Guarantees (Amount in ₹ in millions)
Aggregate amount granted/ provided during the year	
- Subsidiaries	2,746.94
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	3,007.58

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties.

(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 of pharmaceuticals, 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 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 (₹ 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 Judicate at Hyderabad
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

(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. The Company does not have associates or joint ventures.

(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. The Company does not have associates or joint ventures.

(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 complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. The Company has not made any preferential allotment or private placement of fully or partially or optionally convertible debentures during the year. The funds raised, have been used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilization have been invested in fixed deposits (refer note 7 to the standalone financial statements). The maximum amount of idle funds invested by the Company and the wholly owned subsidiary (Granules Life Sciences Private Limited) during the year was ₹ 5,976.25 Million, of which ₹ 4,270.01 Million was outstanding at the end of the year.

(xi) (a) No 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)(c) 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 39 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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: 26102328JFYMDC1588

Place of Signature: Hyderabad, India
Date: April 29, 2026

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Granules India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Granules India Limited ("the Company") as of March 31, 2026 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, 2026, 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: 26102328JFYMDC1588

Place of Signature: Hyderabad, India
Date: April 29, 2026

Standalone Balance Sheet as at March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3A	13,410.02	12,738.02
Capital work-in-progress	3A	1,174.70	1,202.47
Intangible assets	3B	263.80	447.46
Intangible assets under development	3B	1.71	5.38
Right-of-use assets	3C	854.37	864.53
Financial assets			
(i) Investments	4A	20,298.22	12,815.30
(ii) Other financial assets	4B	171.15	173.20
Income tax assets (net)		90.38	9.16
Other non-current assets	5A	592.49	394.07
Total non-current assets		**36,856.84**	**28,649.59**
Current assets			
Inventories	6	6,262.13	6,484.85
Financial assets			
(i) Trade receivables	7A	12,470.22	12,945.28
(ii) Cash and cash equivalents	7B	2,100.93	1,523.40
(iii) Bank balances other than cash and cash equivalents above	7B	660.51	179.96
(iv) Other financial assets	7C	65.09	42.86
Other current assets	5B	1,397.07	1,692.79
Total current assets		**22,955.95**	**22,869.14**
Total assets		**59,812.79**	**51,518.73**
Equity and liabilities			
Equity			
Equity share capital	8	247.80	242.54
Other equity	9	43,743.36	33,787.56
Total equity		**43,991.16**	**34,030.10**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	10	881.73	864.94
Provisions	11A	226.11	315.03
Deferred tax liabilities (net)	12	184.33	304.29
Total non-current liabilities		**1,292.17**	**1,484.26**
Current liabilities			
Financial liabilities			
(i) Borrowings	13A	7,336.80	8,081.93
(ii) Lease liabilities	10	62.46	40.05
(iii) Trade payables	13B		
(a) Total outstanding dues of micro enterprises and small enterprises		107.06	60.31
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,801.60	6,071.29
(iv) Other financial liabilities	13C	1,593.74	1,199.20
Other current liabilities	14	108.22	122.86
Provisions	11B	487.08	309.31
Income tax liabilities (net)		32.50	119.42
Total current liabilities		**14,529.46**	**16,004.37**
Total liabilities		**15,821.63**	**17,488.63**
Total equity and liabilities		**59,812.79**	**51,518.73**

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	15	34,739.60	30,301.63
Other income	16	498.03	406.80
Total income		**35,237.63**	**30,708.43**
Expenses			
Cost of materials consumed	17	15,052.72	13,738.97
Changes in inventories of work-in-progress and finished goods	18	76.81	(297.98)
Employee benefits expenses	19	4,231.30	3,823.44
Finance costs	20	614.38	627.80
Depreciation and amortisation expense	21	1,644.73	1,462.30
Impairment losses on financial instruments	7A	8.09	40.00
Other expenses	22	8,129.86	7,349.16
Total expenses		**29,757.89**	**26,743.69**
Profit before exceptional item and tax		**5,479.74**	**3,964.74**
Exceptional item	23	(121.60)	307.50
Profit before tax		**5,358.14**	**4,272.24**
Tax expense/(credit)			
(i) Current tax	24	1,351.55	1,098.79
(ii) Deferred tax	24	(0.08)	(19.91)
Total tax expense		**1,351.47**	**1,078.88**
Profit for the year		**4,006.67**	**3,193.36**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plan	28	21.24	20.92
Income tax relating to items that will not be reclassified to profit or loss	24	(5.35)	(5.27)
Net other comprehensive income not to be reclassified to profit or loss		**15.89**	**15.65**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges	9	(497.54)	33.67
Income tax relating to items that will be reclassified to profit or loss	24	125.23	(8.47)
Net other comprehensive income/(loss) to be reclassified to profit or loss		**(372.31)**	**25.20**
Other comprehensive income/(loss) for the year		**(356.42)**	**40.85**
Total comprehensive income for the year		**3,650.25**	**3,234.21**
Earnings per share:			
Equity shares of par value of ₹ 1 each			
Basic (₹)	25	16.48	13.17
Diluted (₹)		16.47	13.17

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Equity Share Capital (refer note 8)

Particulars	Balance at the beginning of the year	Shares issued during the year	Balance at the end of the year
March 31, 2026	**242.54**	**5.26**	**247.80**
March 31, 2025	242.37	0.17	242.54

Other Equity (refer note 9)

Particulars	Reserves and Surplus						Other Comprehensive income		Money received against share warrants	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 as at the beginning 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**
Profit for the year	-	-	-	-	-	3,193.36	-	-	-	3,193.36
Other comprehensive income (net of tax)	-	-	-	-	-	-	15.65	25.20	-	40.85
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,193.36**	**15.65**	**25.20**	**-**	**3,234.21**
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 previous year	**13.35**	**1,568.79**	**191.75**	**3,065.32**	**137.11**	**28,912.43**	**(2.10)**	**(99.09)**	**-**	**33,787.56**
Profit for the year	-	-	-	-	-	4,006.67	-	-	-	4,006.67
Other comprehensive income (net of tax)	-	-	-	-	-	-	15.89	(372.31)	-	(356.42)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,006.67**	**15.89**	**(372.31)**	**-**	**3,650.25**

Particulars	Reserves and Surplus						Other Comprehensive income		Money received against share warrants	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		
Transactions with owners of the Company										
Dividends	-	-	-	-	-	(363.97)	-	-	-	(363.97)
Transfer to securities premium on exercise of employee stock options	-	137.11	-	-	(137.11)	-	-	-	-	-
Share premium on issue of equity shares	-	3,013.27	-	-	-	-	-	-	-	3,013.27
Share warrants issued (refer note 9)	-	-	-	-	-	-	-	-	3,656.25	3,656.25
Balance at the end of the current year	**13.35**	**4,719.17**	**191.75**	**3,065.32**	**-**	**32,555.13**	**13.79**	**(471.40)**	**3,656.25**	**43,743.36**

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Standalone Statement of Cash Flow for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	**5,358.14**	**4,272.24**
Adjustments for :		
Depreciation and amortisation expense	1,644.73	1,462.30
Bad debts written off	-	17.03
Impairment losses on financial instruments	8.09	40.00
Allowance for doubtful advances and deposits	16.25	3.32
Loss on sale/disposal of property, plant and equipment (net)	0.84	18.24
Gain on termination of leases	(1.31)	-
Changes in fair value of cashflow hedges	115.21	108.82
Gain from sale of Investments	-	(0.14)
Gain from voluntary liquidation of subsidary	-	(4.04)
Net loss/(gain) on foreign exchange fluctuations (unrealised)	(98.05)	40.74
Finance costs	614.38	627.80
Interest income	(27.58)	(21.17)
Operating profit before working capital changes	**7,630.70**	**6,565.14**
Movements in working capital:		
Decrease in trade receivables	1,021.36	3,215.25
(Increase)/decrease in inventories	222.72	(698.70)
Decrease in other assets	266.88	144.30
Decrease in trade payables, other liabilities and provisions	(1,188.78)	(90.64)
Cash generated from operations	**7,952.88**	**9,135.35**
Direct taxes paid (net of refunds)	(1,519.69)	(908.29)
Net cash flow generated from operating activities (A)	**6,433.19**	**8,227.06**
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	(2,520.56)	(2,108.95)
Proceeds from sale of property, plant & equipment	125.77	62.15
Proceeds from sale of investments	-	0.15
Proceeds from voluntary liquidation of subsidary	-	4.05
Investment in subsidiaries	(7,482.92)	(3,401.34)
Movement in other bank balances	(481.75)	(128.93)
Loans repaid by subsidiaries	-	27.48
Interest received	27.66	21.06
Net cash flow used in investing activities (B)	**(10,331.80)**	**(5,524.33)**
Cash flow from/(used) in financing activities		
Proceeds from issuance of equity shares	3,018.53	49.98
Proceeds from issuance of share warrants	3,656.25	-
Repayment of non-current borrowings	(557.86)	(997.94)
Repayment of current borrowings (net)	(649.46)	(1,424.11)
Repayment of lease liabilities (including related interest)	(121.54)	(91.45)
Finance cost paid	(538.66)	(571.18)
Dividend paid on equity shares	(363.97)	(363.55)
Net cash flow (used in)/generated from financing activities (C)	**4,443.29**	**(3,398.25)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**544.68**	**(695.52)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	32.85	(11.87)
Cash and cash equivalents at the beginning of the year	1,523.40	2,230.79
Cash and cash equivalents at the end of the year	**2,100.93**	**1,523.40**
Components of cash and cash equivalents (refer note 7B):		
Cash on hand	1.42	1.12
Balances with banks		
On current and monitoring agency accounts	298.08	71.27
On EEFC accounts	1,551.43	1,200.87
On deposit accounts	250.00	250.14
Total cash and cash equivalents	**2,100.93**	**1,523.40**

Standalone Statement of Cash Flow for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Changes in liabilities arising from financing activities	Lease liabilities- Non Current and Current (Refer note 10)	Borrowings - Non Current (Refer note 13A)*	Borrowings - Current (Excl. Interest) (Refer note 13A)	Finance costs other than lease liabilities
Opening 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)	(1,424.11)	-
Addition of lease liabilities	832.56	-	-	-
Payment of lease liabilities (including related interest)	(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**
Finance cost	84.54	-	-	529.84
Repayments of borrowings	-	(557.86)	(649.46)	-
Addition of lease liabilities	80.63	-		-
Deletion of lease liabilities	(4.43)	-	-	-
Payment of lease liabilities (including related interest)	(121.54)	-	-	-
Changes in fair values	-	40.72	-	-
Finance cost paid	-	-	-	(538.66)
Effect of changes in foreign exchange rates	-	-	425.13	-
Closing as on March 31, 2026	**944.19**	**-**	**7,333.95**	**2.85**

* 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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Notes to Standalone Financial Statements

for the year ended March 31, 2026 (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, 2026. These standalone financial statements were approved for issuance by the Company's Board of Directors on April 29, 2026.

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, 2026 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.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

- 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 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

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

- Fair value through profit and loss ('FVTPL')

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)(ii) 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.
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.

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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 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, 2026 (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.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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.

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

Notes to Standalone Financial Statements (Contd..)

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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.

vi. Service income

a) Revenue from technical & manufacturing know-how and R&D support (presented as other operating revenue) and management and support activities (presented as other income) provided to group entities are recognised over time as the services measured in line with contractual arrangements.

b) The Company provides product development activities which are linked to the products manufactured. Usually these services are provided over a period of time with specific milestones. Revenue from such services is recognised over time, as the Company's performance creates or enhances an asset that the customer controls.

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.
- 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

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. **Ind AS 1, Presentation of Financial Statements**, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. **Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments:** Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. **Ind AS 12, International Tax Reform** – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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										
As at March 31, 2024	**396.33**	**5,607.06**	**47.99**	**13,854.11**	**273.39**	**171.48**	**589.99**	**290.55**	**69.12**	**21,300.02**
Additions	263.62	245.77	-	747.00	101.28	8.82	96.24	1.89	33.36	1,497.98
Disposals	-	-	-	(269.75)	(0.42)	(1.28)	(15.59)	(1.67)	(15.99)	(304.70)
As at March 31, 2025	**659.95**	**5,852.83**	**47.99**	**14,331.36**	**374.25**	**179.02**	**670.64**	**290.77**	**86.49**	**22,493.30**
Additions	28.53	493.78	192.45	1,187.41	29.00	77.76	90.64	50.77	-	2,150.34
Disposals	-	(16.15)	-	(414.81)	-	(1.51)	(2.56)	(3.48)	(5.81)	(444.32)
As at March 31, 2026	**688.48**	**6,330.46**	**240.44**	**15,103.96**	**403.25**	**255.27**	**758.72**	**338.06**	**80.68**	**24,199.32**
Accumulated depreciation										
As at March 31, 2024	**-**	**1,213.86**	**20.30**	**6,673.89**	**214.76**	**131.98**	**279.95**	**165.93**	**38.87**	**8,739.54**
Depreciation for the year	-	191.70	4.09	914.11	32.42	16.12	53.14	22.05	6.49	1,240.12
Disposals	-	-	-	(207.33)	(0.42)	(1.12)	(10.50)	(0.91)	(4.10)	(224.38)
As at March 31, 2025	**-**	**1,405.56**	**24.39**	**7,380.67**	**246.76**	**146.98**	**322.59**	**187.07**	**41.26**	**9,755.28**
Depreciation for the year	-	203.29	15.58	986.68	41.87	24.81	57.12	24.68	8.05	1,362.08
Disposals	-	(15.16)	-	(302.60)	-	(1.38)	(2.43)	(3.16)	(3.33)	(328.06)
As at March 31, 2026	**-**	**1,593.69**	**39.97**	**8,064.75**	**288.63**	**170.41**	**377.28**	**208.59**	**45.98**	**10,789.30**
Net block										
As at March 31, 2025	**659.95**	**4,447.27**	**23.60**	**6,950.69**	**127.49**	**32.04**	**348.05**	**103.70**	**45.23**	**12,738.02**
As at March 31, 2026	**688.48**	**4,736.77**	**200.47**	**7,039.21**	**114.62**	**84.86**	**381.44**	**129.47**	**34.70**	**13,410.02**

Capital work-in-progress	
As at March 31, 2025	1,202.47
As at March 31, 2026	**1,174.70**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Capital work -in -progress- Movement

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the year	1,202.47	525.31
Additions	2,122.57	2,175.14
Capitalised during the year	(2,150.34)	(1,497.98)
Balance at the end of the year	**1,174.70**	**1,202.47**

Ageing Schedule for Capital work -in -Progress as below

Particulars	March 31, 2026					March 31, 2025				
	Amount for a period of				Total	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	>3 years		Less than 1 year	1-2 years	2-3 years	>3 years	
Projects in progress	1,174.70	-	-	-	1,174.70	1,167.81	34.66	-	-	1,202.47
Total	**1,174.70**	**-**	**-**	**-**	**1,174.70**	**1,167.81**	**34.66**	**-**	**-**	**1,202.47**

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 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, 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**
Additions	21.72	-	21.72
Disposals	-	(200.62)	(200.62)
As at March 31, 2026	**277.62**	**935.53**	**1,213.15**
Accumulated amortisation			
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**
Amortisation for the year	21.44	173.54	194.98
Disposals	-	(190.22)	(190.22)
As at March 31, 2026	**179.53**	**769.82**	**949.35**
Net block			
As at March 31, 2025	**97.81**	**349.65**	**447.46**
As at March 31, 2026	**98.09**	**165.71**	**263.80**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Intangible assets under development

Particulars	
As at March 31, 2025	5.38
As at March 31, 2026	**1.71**

Ageing Schedule for Intangible assets under development as below

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2026					
Projects in Progress	1.71	-	-	-	1.71
Total	**1.71**	**-**	**-**	**-**	**1.71**
March 31, 2025					
Projects in Progress	5.38	-	-	-	5.38
Total	**5.38**	**-**	**-**	**-**	**5.38**

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, 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**
Additions	58.18	22.45	80.63
Deletions	(10.77)	-	(10.77)
As at March 31, 2026	**1,084.83**	**93.78**	**1,178.61**
Accumulated depreciation			
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**
Depreciation for the year	76.12	11.55	87.67
Deletions	(7.65)	-	(7.65)
As at March 31, 2026	**258.68**	**65.56**	**324.24**
Net block			
As at March 31, 2025	**847.21**	**17.32**	**864.53**
As at March 31, 2026	**826.15**	**28.22**	**854.37**

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, 2026	As at March 31, 2025
Investments		
Investments in equity instruments		
a. Unquoted equity shares		
In wholly owned subsidiaries (cost) (refer note 31)		
Granules USA Inc., USA - Nil (March 31, 2025 : 700,000) common stock of USD 0.10 each fully paid up*	-	11.63

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Granules Pharmaceuticals Inc., USA - 4,198 (March 31, 2025 : 4,180) common stock of USD 1 each fully paid up*	5,657.00	5,645.37
Granules Life Sciences Private Limited, India - 925 Millions (March 31, 2025 : 330 Millions) equity shares of ₹ 10/- each fully paid up	9,250.00	3,300.00
Granules CZRO Private Limited, India - 208 Millions (March 31, 2025 : 185 Millions) equity shares of ₹ 10/- each fully paid up	2,080.00	1,850.00
Ascelis Peptides Private Limited, India - 330 Millions(March 31, 2025 : 200 Millions) equity shares of ₹10/- each fully paid up	3,300.00	2,000.00
Granules Pharmaceuticals GMBH, Europe - 25,000 (March 31, 2025 : Nil) equity shares of Euro 1/- each fully paid up	2.92	-
In Others (Fair value through OCI)		
Jeedimetla Effluent Treatment Ltd - 15,142 (March 31, 2025 : 15,142) equity shares of ₹ 10/- each fully paid up	5.96	5.96
Patancheru Envirotech Ltd - 34,040 (March 31, 2025 :34,040) equity shares of ₹ 10/- each fully paid up	0.34	0.34
RVK Energy Private Ltd - 1,282,000 (March 31, 2025: 1,282,000) equity shares of ₹ 10/- each fully paid up	2.00	2.00
Total	**20,298.22**	**12,815.30**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	20,298.22	12,815.30
Aggregate amount of impairment in value of investments	-	-

* Granules USA Inc., USA was merged with Granules Pharmaceuticals Inc., USA with effect from April 1, 2025. Pursuant to the merger, 18 equity shares with face value of USD 1 each of Granules Pharmaceuticals Inc, USA was issued in consideration for the equity shares held in Granules USA Inc, USA.

4B. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits		
Considered good	171.15	173.20
Considered doubtful	5.00	-
	176.15	**173.20**
Less : Allowance for doubtful deposits*	(5.00)	-
Total	**171.15**	**173.20**

***Details of movement in allowance for doubtful deposits :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	-	-
Provision made during the year, net of reversals	(5.00)	-
Balance at the end of the year	**(5.00)**	**-**

5. Other assets

5A. Non-current (Unsecured)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances		
Considered good	592.49	394.07
Considered doubtful	7.32	-
	599.81	**394.07**
Less : Allowance for doubtful advances*	(7.32)	-
Total	**592.49**	**394.07**

***Details of movement in allowance for doubtful advances :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	-	-
Provision made during the year, net of reversals	(7.32)	-
Balance at the end of the year	**(7.32)**	**-**

5B. Current (Unsecured)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance with government authorities	682.57	997.81
Prepaid expenses	250.77	276.79
Export incentives receivable	134.30	130.04
Advance to suppliers		
Considered good	329.43	288.15
Considered doubtful	38.60	34.68
	1,435.67	**1,727.47**
Less : Allowance for doubtful advances*	(38.60)	(34.68)
Total	**1,397.07**	**1,692.79**

***Details of movement in allowance for doubtful advances :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	(34.68)	(31.36)
Provision made during the year, net of reversals	(3.92)	(3.32)
Amounts written off during the year	-	-
Balance at the end of the year	**(38.60)**	**(34.68)**

6. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials*	2,821.11	2,800.79
Packing materials	253.63	322.69
Work-in-progress	966.57	827.14
Finished goods**	1,678.56	1,894.80
Stores, spares and consumables	542.26	639.43
Total	**6,262.13**	**6,484.85**

*includes raw materials-in-transit ₹ 281.87 millions (March 31, 2025 - ₹ 108.11 millions).

**includes finished goods-in-transit ₹ 628.65 millions (March 31, 2025 - ₹ 693.08 millions)

i) For details of inventories hypothecated against current borrowings refer note 13A.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

7. Financial assets

7A. Trade receivables (Unsecured)

Particulars		As at March 31, 2026	As at March 31, 2025
(a) Considered good		12,519.90	13,018.11
Less : Allowance for doubtful trade receivables/credit loss		(49.68)	(72.83)
	(A)	12,470.22	12,945.28
(b) Significant increase in credit risk		161.49	132.34
(c) Credit impaired		158.59	156.50
Less : Allowance for doubtful trade receivables/credit loss		(320.08)	(288.84)
	(B)	-	-
Total	(C=A+B)	12,470.22	12,945.28

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 13A.

Details of changes in allowance for doubtful trade receivables/ credit losses :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	361.67	321.67
Provision made during the year, net of reversals	8.09	40.00
Balance at the end of the year	369.76	361.67

Ageing Schedule for Trade receivables as below

As at March 31, 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	
(i) Undisputed Trade receivables - considered good	10,841.02	1,647.06	31.82	-	-	-	12,519.90
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	47.95	73.60	2.09	37.85	161.49
(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	-	-	-	-	-	158.59	158.59
Total	10,841.02	1,647.06	79.77	73.60	2.09	196.44	12,839.98

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

As at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	
(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

7B. Cash and bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
i) Cash on hand	1.42	1.12
ii) Balance with banks:		
On current accounts (refer note {b} below)	298.08	71.27
On EEFC accounts	1,551.43	1,200.87
Deposits with original maturity of less than 3 months	250.00	250.14
Total -(i+ii)	2,100.93	1,523.40
iii) Bank balances other than cash and cash equivalents stated above		
Unpaid dividend account	3.21	4.06
Deposits with remaining maturity for less than 12 months (refer note {b} below)	502.86	-
Margin money deposits (refer note {a} below)	154.44	175.90
Total -(iii)	660.51	179.96

a) Margin money deposits are subject to first charge against bank guarantees and/or letters of credit obtained.

b) Includes unutilised portion amounting to ₹ 645.77 million received towards issue of convertible share warrants and issue of equity shares of ₹ 1 each on a preferential basis which are required to be utilised in accordance with the terms of issue. Further, an amount of ₹ 3,828.82 million is un-utilised which is held in the monitoring account and deposit accounts of Granules Lifesciences Private Limited, wholly owned subsidary of the Company.

7C. Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to employees	16.41	11.63
Receivable from related parties (refer note 31)	48.68	31.23
Total	65.09	42.86

8. Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized		
505,000,000 (March 31, 2025: 505,000,000) equity shares of ₹1/- each	505.00	505.00

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Issued, subscribed and fully paid up		
247,796,921 fully paid up equity shares of ₹1/- each (March 31, 2025 : 242,543,716 equity shares of ₹1/- each)	247.80	242.54

8.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2026		As at March 31, 2025	
	No.	₹	No.	₹
At the beginning of the year	24,25,43,716	242.54	24,23,68,716	242.37
Add: Shares issued on exercise of employee stock options	1,25,000	0.13	1,75,000	0.17
Add: Shares issued in cash through preferential issue	51,28,205	5.13	-	-
Outstanding at the end of the year	**24,77,96,921**	**247.80**	**24,25,43,716**	**242.54**

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. 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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Krishna Prasad Chigurupati	7,67,99,111	30.99%	7,67,99,111	31.66%
Life Insurance Corporation of India	1,29,39,570	5.22%	1,27,82,570	5.27%

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, 2026

Shares held by Promoters

Promoter Name	As at March 31, 2026		As at March 31, 2025		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Dr. Krishna Prasad Chigurupati	7,67,99,111	30.99%	7,67,99,111	31.66%	-0.67%
Uma Devi Chigurupati	92,40,761	3.73%	92,40,761	3.81%	-0.08%
Priyanka Chigurupati	18,18,683	0.73%	18,18,683	0.75%	-0.02%
Pragnya Chigurupati	18,42,035	0.74%	18,42,035	0.76%	-0.02%
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	1.43%	35,52,557	1.46%	-0.03%
Santhi Sree Ramanavarapu	8,55,878	0.35%	8,55,878	0.35%	-0.01%

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%	-

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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	
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%	-

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.

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

	March 31, 2026	March 31, 2025
₹ 1.50 per equity share (March 31, 2025 : ₹ 1.50 per share)	363.97	363.55
	363.97	**363.55**

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.

	March 31, 2026	March 31, 2025
₹ 1.75 per equity share (March 31, 2025 : ₹ 1.50 per share)	433.64	363.82
	433.64	**363.82**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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, 2026	As at March 31, 2025
Balance at the beginning of the year	(99.09)	(124.29)
Gain/(loss) recognised in other comprehensive income during the year	(612.75)	(75.15)
Amount reclassified to statement of profit and loss during the year	115.21	108.82
Tax impact on the above	125.23	(8.47)
Balance at the end of the year	**(471.40)**	**(99.09)**

Money received against share warrants

The Board of Directors of the Company, in their meeting held on December 23, 2025 have approved a issuance of 25,000,000 warrants, which are convertible into fully paid-up Equity Shares of the Company, on preferential basis to the Promoter and Non-Promoter investor category of the Company, up to an amount of ₹ 14,625 million, at a issue price of ₹ 585/- per Warrant (derived pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018).

Each Warrant will be convertible into One Equity Share of the Company and the rights attached to Warrants can be exercised in one or more tranches at anytime within a period of 18 months from the date of allotment of Warrants.

Shareholders of the Company, in Extra-ordinary General Meeting held on January 22, 2026, approved the issuance of Warrants on preferential basis. During the year ended March 31, 2026, the Company received an aggregate consideration of ₹ 3,656.25 million on February 23, 2026 towards minimum 25% of the total consideration of the Warrants.

Details of warrant holders - Promoter and Non- Promoter group

Name	Type	No. of warrants issued
Mrs. Uma Devi Chigurupati	Promoter	2,48,80,342
Ms. Priyanka Chigurupati	Promoter	34,188
Ms. Pragnya Chigurupati	Promoter	34,188
Mr. Harsha Chigurupati	Promoter	34,188
Dr. Venkata Srinivas Pullela	Non-Promoter investor	17,094

10. The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current lease liabilities	881.73	864.94
Current lease liabilities	62.46	40.05
	944.19	**904.99**

The following is the movement in lease liabilities :

Balance as at April 1, 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**
Additions	80.63
Finance cost accrued for the year	84.54
Deletions	(4.43)
Payment of lease liabilities	(121.54)
Balance as at March 31, 2026	**944.19**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2026	March 31, 2025
Less than one year	114.26	108.37
One to five years	355.39	326.96
More than five years	1,556.26	1,637.16
Total	**2,025.91**	**2,072.49**

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, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets (refer note 21)	87.67	62.78
Interest expense on lease liabilities (refer note 20)	84.54	56.24
Expense relating to short-term leases (refer note 22)	82.52	92.91
Total amount recognised in statement of profit and loss	**254.73**	**211.93**

11. Provisions

11A. Non-current

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity (refer note 28(b))	226.11	315.03
Total	**226.11**	**315.03**

11B. Current

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity (refer note 28(b))	72.89	70.92
Compensated absences*	181.00	164.82
Provision for Sales return#	233.19	73.57
Total	**487.08**	**309.31**

***Details of movement in provision for Compensated absences are as follows:**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	164.82	140.30
Provision made during the year, net of reversals	79.28	75.54
Provision used during the year	(63.10)	(51.02)
Balance as at end of the year	**181.00**	**164.82**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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, 2026	As at March 31, 2025
Balance as at beginning of the year	73.57	3.57
Provision made during the year, net of reversals	159.62	70.00
Balance as at end of the year	**233.19**	**73.57**

12. Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	667.78	660.61
Right of use assets	215.03	217.58
Gross deferred tax liabilities	**882.81**	**878.19**
Deferred tax assets		
Employee benefit obligations	126.33	143.84
Allowance for doubtful debts / credit loss	93.06	91.02
Allowance for doubtful advances	12.82	8.73
Lease liabilities	237.63	227.77
Cash flow hedges	158.55	33.33
Others	70.09	69.21
Gross deferred tax assets	**698.48**	**573.90**
Deferred tax liabilities (net)	**184.33**	**304.29**

(refer note 24 for movement in deferred tax balances)

13. Current financial liabilities

13A. Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Current borrowings - repayable on demand from banks		
Packing credit loans (secured) [refer note (i) & (ii)]	5,942.57	4,790.32
Packing credit loans (unsecured) [refer note (ii)]	813.60	2,616.91
Other borrowings (unsecured)	330.63	157.56
Working capital loan (unsecured) [refer note (iii)]	250.00	-
Current maturities of non-current borrowings (refer note vi)	-	517.14
Total	**7,336.80**	**8,081.93**

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 4.40% to 4.60% p.a benchmark linked to SOFR (March 31, 2025: 5.25% to 5.50% p.a) from banks. The facility is repayable within 180 days from the date of its origination.

iii) The Company has unsecured loan carrying an interest rate of 6.75% per annum. The facility is repayable within 90 days from the date of its origination

iv) The Company's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

v) As on March 31, 2026, 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.

vi) Details of Current maturities of non-current borrowings

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Name of the bank/financial institutions	Sanction Amount Mn	Commencement of Installment	No of installments / Rate of Interest	Outstanding as on March 31, 2026	Outstanding as on March 31, 2025
International Finance Corporation (Refer note (i) above)	EUR 45.00	Jan-20	12 half yearly equal installments of EUR 3.75 Mn 6M Euribor + 1.00% p.a. (March 31, 2025 : 6M Euribor +1.00% p.a.)	-	349.36
Hong Kong and Shanghai Banking Corporation (Refer note (i) above))	EUR 16.20	Jan-21	9 half yearly installments of EUR 1.8 Mn 6M Euribor +0.80 % p.a. (March 31, 2025: 6M Euribor +0.80 % p.a.)	-	167.78

13B. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of micro enterprises and small enterprises {refer note (a) below}	107.06	60.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,801.60	6,071.29
Total	**4,908.66**	**6,131.60**

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	107.06	60.31
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 disclosed in Note 33.

Refer Note 31 for trade payable to related parties.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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, 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	107.06	-	-	-	107.06
ii) Others	4,771.68	9.83	14.80	5.29	4,801.60
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-
Total	**4,878.74**	**9.83**	**14.80**	**5.29**	**4,908.66**

As on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
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**

13C. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Capital creditors	317.03	491.28
Employee benefits payable	333.38	360.52
Unclaimed dividend	3.45	4.30
Derivative liabilities	629.95	63.07
Others*	309.93	280.03
Total	**1,593.74**	**1,199.20**

* Includes payable to customers

14. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities (refer note 15)	35.85	38.93
Statutory liabilities	72.37	83.93
Total	**108.22**	**122.86**

15. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	33,918.51	29,675.73
Other operating revenue (refer note 31)*	821.09	625.90
Total	**34,739.60**	**30,301.63**

*includes technical, manufacturing and R&D support, sale of scrap and export incentives

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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 operations 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, 2026	For the year ended March 31, 2025
Revenue as per the contracted price	35,430.99	30,606.84
Adjusted for :		
Less : Sales returns, rebates, fees and discounts	(691.39)	(305.21)
Total revenue from operations	**34,739.60**	**30,301.63**

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, 2026	For the year ended March 31, 2025
Within India	2,742.78	2,309.24
Outside India	31,996.82	27,992.39
Total revenue from operations	**34,739.60**	**30,301.63**

Timing of revenue recognition	For the year ended March 31, 2026	For the year ended March 31, 2025
Goods transferred at a point in time	34,051.53	29,761.14
Services transferred at a over the time	688.07	540.49
Total	**34,739.60**	**30,301.63**

Details of contract liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities (refer note 14)	35.85	38.93
	35.85	**38.93**

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 ₹ 26.04 millions (March 31, 2025 -₹ 149.19 millions) included in contract liabilities as at March 31, 2025 has been recognised as revenue in the current year.

16. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on		
Deposits with banks	18.79	13.21
Others *	8.79	7.96
Gain on disposal of subsidiary	-	4.04
Gain on sale of investments	-	0.14
Management and support activity (refer note 31)	417.78	277.22
Other non-operating income (refer note 31) #	52.67	104.23
Total	**498.03**	**406.80**

*includes interest income on security deposits and others

includes proceeds from insurance claim, crosscharge income and others

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

17. Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	3,123.48	2,900.96
Add: Purchases	15,003.98	13,961.49
	18,127.46	**16,862.45**
Less: Inventory at the end of the year	3,074.74	3,123.48
Cost of materials consumed	**15,052.72**	**13,738.97**

18. Changes in inventory of work-in-progress and finished goods

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Finished goods	1,678.56	1,894.80
Work-in-progress	966.57	827.14
	2,645.13	**2,721.94**
Inventories at the beginning of the year		
Finished goods	1,894.80	1,503.88
Work-in-progress	827.14	920.08
	2,721.94	**2,423.96**
Total	**76.81**	**(297.98)**

19. Employee benefit expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus (refer note 28(b))	3,573.72	3,164.58
Managerial remuneration (refer note 31)	392.20	401.42
Contribution to provident and other funds (refer note 28(a))	139.14	123.20
Staff welfare expenses	126.24	134.24
Total	**4,231.30**	**3,823.44**

20. Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense		
- Term loan	4.30	49.70
- Working capital	475.02	441.25
- Others	4.88	2.53
Interest on lease liabilities (refer note 10)	84.54	56.24
Bank charges and other borrowing costs	45.64	78.08
Total	**614.38**	**627.80**

21. Depreciation and amortisation

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation	1,449.75	1,302.90
Amortisation	194.98	159.40
Total	**1,644.73**	**1,462.30**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

22. Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spares	228.98	202.49
Power and fuel	1,001.87	903.05
Effluent treatment expenses	221.57	199.46
Analytical fees	82.97	58.53
Other manufacturing expenses	45.09	35.82
Repairs and maintenance		
Plant and machinery	628.84	576.50
Buildings	71.18	41.75
Others	344.22	341.94
Rent	82.52	92.91
Rates and taxes	256.61	284.67
Printing and stationery	24.66	22.56
Insurance	241.76	226.67
Directors sitting fees (refer note 31)	8.32	3.46
Commission to Directors (refer note 31)	19.85	16.58
Remuneration to statutory auditors (refer note 30)	9.11	7.67
Sales commission	137.39	237.61
Carriage outwards and clearing charges	1,419.60	1,320.66
Research & Development expenses (refer note 29)	1,837.33	1,724.61
Business promotion expense	117.29	50.14
Communication expenses	14.34	15.81
Consultancy charges	802.15	524.33
Travelling and conveyance	190.68	172.22
Advertisement charges	0.91	0.75
Donations	-	0.55
Loss on sale of property, plant and equipment (net)	0.84	18.24
Bad debts written off	-	17.03
Allowance for doubtful advances (refer note 4B, 5A & 5B)	16.25	3.32
Corporate social responsibility expenditure (refer note 22A)	112.73	118.91
Foreign exchange loss (net)	50.12	3.40
Miscellaneous expenses	162.68	127.52
Total	**8,129.86**	**7,349.16**

The Company received a USFDA (US Food and Drug Administration) warning letter for the Gagillapur facility in February 2025 following an inspection during August–September 2024. In response, the Company voluntarily paused manufacturing and distribution operations at the facility during September 2024 to conduct comprehensive risk assessments and address the observations of USFDA inspection. The Company had taken adequate remedial measures involving three independent consultants to enhance existing procedures, develop and implement new procedures, and engage consultants on-site for data collection and review to ensure comprehensive investigations and effective implementation of corrective and preventive actions.

This has impacted the Company's revenue due to slow down of production and increase in expenses (mainly consultancy expenses and air freight costs).

22A. Details of Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent by the Company during the year:	112.51	118.89
(b) Amount spent during the year ended		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above in cash	112.73	118.91
(c) Amount unspent during the year ended:	-	-
(d) Total of Previous years Shortfall	-	-
(e) Reason for Shortfall	NA	NA

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(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)	63.18	102.30
(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 separately.	Not Applicable	Not Applicable
(i) Excess amount spent		
Opening Balance	0.23	0.21
Amount required to be spent during the year	112.51	118.89
Amount spent during the year	112.73	118.91
Closing balance	**0.45**	**0.23**

23. Exceptional Items

During the year ended March 31, 2026, the Company has incurred transaction costs in relation to the acquisition of Senn Chemicals AG amounting to ₹ 121.60 million. The same has been recognised as an expense and disclosed separately as exceptional items.

During the year ended March 31, 2025, the Company received an insurance claim towards business interruption arising from the information security incident encountered during the year ended March 31, 2024. The same has been recognised as 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, 2026	For the year ended March 31, 2025
Current tax	1,351.55	1,098.79
Deferred tax benefit		
Attributable to the origination and reversal of temporary differences	(0.08)	(19.91)
Total tax expense recognised in statement of profit and loss	**1,351.47**	**1,078.88**

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax (A)	5,358.14	4,272.24
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	1,348.54	1,075.24
Adjustment of tax relating to earlier periods	(21.06)	(19.95)
Expenditure not allowed for tax purposes	23.41	23.15
Others	0.58	0.44
Tax expense	**1,351.47**	**1,078.88**
Effective tax rate	**25.22%**	**25.25%**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Movement in temporary differences:

Particulars	Balance as at April 1, 2024	Recognised in statement of profit or loss during the previous year	Recognised in OCI during the previous year	Balance as at March 31, 2025	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at March 31, 2026
On account of depreciation and amortization	(625.54)	(35.08)	-	(660.61)	(7.17)	-	(667.78)
On account of right of use assets	(23.85)	(193.73)	-	(217.58)	2.55	-	(215.03)
On account of employee benefits	128.98	20.13	(5.27)	143.84	(12.16)	(5.35)	126.33
On account of allowance for doubtful debts	80.96	10.06	-	91.02	2.04	-	93.06
On account of allowance for doubtful advances	7.89	0.84	-	8.73	4.09	-	12.82
On account of leased liability	27.09	200.68	-	227.77	9.86	-	237.63
On account of cash flow hedges	41.80	-	(8.47)	33.33	(0.01)	125.23	158.55
On account of others	52.20	17.01	-	69.21	0.88	-	70.09
Total	**(310.47)**	**19.91**	**(13.74)**	**(304.29)**	**0.08**	**119.88**	**(184.33)**

Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Fair value changes on cash flow hedges	(497.54)	125.23	(372.31)	33.67	(8.47)	25.20
Re-measurement of defined benefit liability	21.24	(5.35)	15.89	20.92	(5.27)	15.65
Total	**(476.30)**	**119.88**	**(356.42)**	**54.59**	**(13.74)**	**40.85**

25. Earning per equity share (EPS)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings		
Profit for the year	4,006.67	3,193.36
Weighted average shares used for computing of basic EPS	243.16	242.41
Add: Effect of dilution		
Effect of dilutive options and share warrants granted but not yet exercised/not yet eligible for exercise	0.08	0.09
Weighted average shares used for computing diluted EPS	243.24	242.50
Earnings per share		
- Basic (in ₹)	16.48	13.17
- Diluted (in ₹)	16.47	13.17

26. Contingent liabilities and commitments

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Contingent liabilities:		
Claims arising from disputes not acknowledged as debts - direct taxes	-	21.11
Claims arising from disputes not acknowledged as debts - indirect taxes	9.29	9.29

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026	As at March 31, 2025
(b) Guarantees		
Corporate guarantees given in favour of banks towards loans obtained by Wholly owned subsidiary company		
- Granules USA, Inc.	-	1,281.88
- Senn Chemicals AG	3,007.58	-

The Company has provided Corporate Guarantee for CHF 25.5 mn to "MUFG Bank" for the loan obtained by Senn Chemicals AG, Switzerland (a wholly owned step down subsidiary of the Company) which were to be utilised for business purposes. Amount utilised by Senn Chemicals AG, Switzerland as at March 31, 2026 is CHF 20.00 mn (March 31, 2025 - Nil).

Particulars	As at March 31, 2026	As at March 31, 2025
(c) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,542.23	1,575.54

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.

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

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026			
	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	1,25,000	97.00 to 353.00	148.20	3
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	1,25,000	97.00 to 353.00	148.20	-
Less: Lapsed/Cancelled/Surrendered during the Year	-	-	-	-
At the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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 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

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

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

28. Employee benefits

a) Defined contribution plan

Particulars	March 31, 2026	March 31, 2025
Contribution to provident fund	135.24	117.85
Contribution to employee state insurance	3.90	5.35
Total	**139.14**	**123.20**

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, 2024	**353.13**	**(0.02)**	**353.11**
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**
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 on March 31, 2025	**385.86**	**0.09**	**385.95**
Current service cost	58.99	-	58.99
Interest expense/(income)	25.36	(3.71)	21.65
Amount recognised in Statement of profit and loss	**84.35**	**(3.71)**	**80.64**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	-	-
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	(14.10)	2.16	(11.94)
Experience adjustment	(9.30)	-	(9.30)
Amount recognised in other comprehensive income	**(23.40)**	**2.16**	**(21.24)**
Employers contribution	-	(105.00)	(105.00)
Benefits paid	(41.35)	-	(41.35)
Balance as at March 31, 2026	**405.46**	**(106.46)**	**299.00**

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current	226.11	315.03
Current	72.89	70.92
	299.00	**385.95**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

(ii) The assumptions used for gratuity valuation are as below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest rate	7.80%	7.03%
Discount rate	7.80%	7.03%
Expected return on plan assets	7.80%	7.03%
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, 2025: 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, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate	(16.89)	18.51	(16.32)	17.93
Salary increase	18.52	(17.54)	18.04	(17.04)
Attrition rate	(1.04)	1.05	(1.51)	1.58

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, 2026 and March 31, 2025, the plan assets have been invested in Life Insurance Corporation.

The expected contributions to the plan for the next annual period amounts to ₹ 299.00 millions (March 31, 2025: ₹ 385.65 millions).

Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1st Following year	73.19	71.32
2nd Following year	64.13	60.13
3rd Following year	62.62	56.22
4th Following year	57.45	52.36
5th Following year	51.15	46.13
After 5 years	311.40	279.57

29. Research and development expenses

Details of research and development expenses incurred during the year is given below

Particulars	March 31, 2026	March 31, 2025
Capital	101.32	96.24
Revenue (included in note 22)		
Cost of materials consumed	147.10	161.27
Employee benefit expenses	550.97	455.64
Other expenses		
Analytical fees	168.19	242.18
Rates and taxes	189.30	314.78

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	March 31, 2026	March 31, 2025
Consumption of stores & spares, chemicals and consumables	359.10	195.55
Consultancy charges	206.00	192.80
Other research and development expenses	216.67	162.39
Subtotal	**1,837.33**	**1,724.61**
Total	**1,938.65**	**1,820.85**

30. Remuneration to statutory auditors

Particulars	March 31, 2026	March 31, 2025
As Auditor (excluding GST)		
Statutory audit	4.00	3.60
Limited review	3.00	2.40
Certification	1.75	1.20
Reimbursement of expenses	0.36	0.47
Total	**9.11**	**7.67**

31. Related party disclosures

31A. Names of related parties and description of relationship

	Name of the related party	Relationship
1	Granules USA, Inc. (refer note v below)	Wholly owned subsidiary company
2	Granules Pharmaceuticals, Inc. (refer note v below)	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
7	Ascelis Peptides Private Limited (formerly known as Granules Peptides Private Limited) (Incorporated on March 04, 2025)	Wholly owned subsidiary company
8	Senn Chemicals AG (Acquired on April 10, 2025)	Wholly owned step down subsidiary company
9	Granules Pharmaceuticals GmbH (Acquired on November 20, 2025)(refer note 37)	Wholly owned subsidiary company
10	Granules Pharmaceuticals Canada, Inc. (Incorporated on November 26, 2025)	Wholly owned step down subsidiary company
11	Product Armor Packaging Private Limited	Enterprises over which key management personnel or their relatives exercise significant influence
12	Granules Trust	Enterprises over which key management personnel or their relatives exercise significant influence
13	Chigurupati Family Trust	Enterprises over which key management personnel or their relatives exercise significant influence
14	Matal PTE Ltd	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 (upto July 31, 2025)	Joint Managing Director and Chief Executive Officer
3	Mrs. Uma Devi Chigurupati	Executive Director
4	Mr. Harsha Chigurupati	Executive Director
5	Ms. Priyanka Chigurupati	Executive Director
Others		
6	Mr. Mukesh Surana	Chief Financial Officer
7	Mrs. Chaitanya Tummala	Company Secretary
8	Ms. Pragnya Chigurupati	Relative to Key managerial personnel

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

	Name of the related party	Relationship
Non-executive directors		
1	Mr. K. B. Sankar Rao	Non-Executive Director
2	Mr. Arun Sawhney	Independent Director
3	Mr. Saumen Chakraborty	Independent Director
4	Mrs. Sucharita Rao Palepu	Independent Director
5	Mr. Kapil Kumar Mehan	Independent Director
6	Dr. Sethurathnam Ravi	Independent Director
7	Mr. Rajiv Pritidas Kakodkar	Independent Director

31B. Transactions during the year

Particulars	March 31, 2026	March 31, 2025
a) Subsidiary companies including step down subsidiary		
i) Granules USA, Inc. (refer note v below)		
Sale of goods	-	1,999.54
Reimbursements to	-	48.65
Services rendered	-	6.84
Commission on corporate guarantee	-	2.70
Sales Commission	-	93.96
ii) Granules Pharmaceuticals, Inc. (refer note v below)		
Sale of goods	14,721.28	8,000.81
Purchase of goods	497.72	327.96
Technical, manufacturing know how and R&D support	566.51	369.62
Management and support activity	417.78	277.22
Reimbursements		
to Granules Pharmaceuticals, Inc	49.58	75.19
from Granules Pharmaceuticals, Inc	2.87	0.32
Services rendered	20.46	15.97
iii) Granules Europe Limited		
Sales commission accrued	-	11.46
Loans repayments received	-	27.48
iv) Granules Life Sciences Private Limited		
Sale of goods	529.59	222.31
Purchase of goods	12.39	-
Reimbursements		
to Granules Life Sciences Private Limited	15.24	104.14
from Granules Life Sciences Private Limited	3.28	-
Sale of assets	96.25	48.12
Purchase of assets	136.39	-
Investment in subsidiary	5,950.00	1,050.00
Services rendered	-	1.47
Commission on corporate guarantee	-	3.75
v) Granules CZRO Private Limited		
Investment in subsidiary	230.00	351.34
Sale of goods	0.02	-
Purchase of goods	0.22	0.10
Reimbursements from	-	1.37
Sale of assets	0.21	0.02
Cross charge	23.25	-
vi) Granules Consumer Health, Inc		
Sale of goods	2,975.03	3,879.12
Reimbursements to	32.21	20.37
Reimbursements from	14.22	-
Cross charge	16.14	-
vii) Ascelis Peptides Private Ltd		
Investment in subsidiary	1,300.00	2,000.00
Reimbursements from	-	26.56

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	March 31, 2026	March 31, 2025
viii) Senn Chemicals AG		
Corporate guarantee given	2,746.94	-
Commission on corporate guarantee (refer note 26(b))	1.60	-
b) Transactions with enterprises over which key management personnel - directors or their relatives exercise significant influence		
i) Granules Trust		
Contribution towards Corporate social responsibility	63.18	102.30
ii) Product Armor Packaging Private Limited		
Purchase of goods	396.74	359.83
iii) Chigurupati Family Trust		
Rent and maintenance	75.65	20.45
Rent deposit	-	30.67
Reimbursements to	7.89	-
iv) Matal PTE Ltd		
Sale of goods	0.69	-
c) Transactions with key managerial personnel - directors and their relative		
i) Dr.Krishna Prasad Chigurupati		
Managerial Remuneration	283.61	236.84
ii) Dr. K.V.S Ram Rao		
Managerial Remuneration	23.51	93.52
iii) Mrs. Uma Devi Chigurupati		
Managerial Remuneration	28.36	23.68
Moneys received against share warrants (refer note 9)	3,638.75	-
iv) Mr.Harsha Chigurupati		
Managerial Remuneration	28.36	23.68
Moneys received against share warrants (refer note 9)	5.00	-
v) Ms.Priyanka Chigurupati		
Managerial Remuneration	28.36	23.68
Moneys received against share warrants (refer note 9)	5.00	-
vi) Non-Executive Directors		
Sitting fees	8.32	3.46
Commission	19.85	16.58
vii) Ms. Pragnya Chigurupati		
Moneys received against share warrants (refer note 9)	5.00	-
d) Transactions with key managerial personnel - others		
i) Salary	43.69	40.64

31C. Closing balances

Particulars	March 31, 2026	March 31, 2025
a) Subsidiary Companies including step down subsidiary		
i) Granules USA, Inc. (refer note v below)		
Investment in subsidiary	-	11.63
Trade receivables*	-	1,387.35
Sales commission payable	-	78.04
Corporate guarantee given*	-	1,281.88
Other payables*	-	44.97
Other receivables*	-	17.41
ii) Granules Pharmaceuticals, Inc. (refer note v below)		
Investment in subsidiary	5,657.00	5,645.37
Trade receivables*	6,563.27	4,967.92
Trade payables*	153.33	190.92
Other Payables*	1.67	2.50
Other Receivables*	47.05	26.77
iii) Granules Life Sciences Private Limited		
Investment in subsidiary	9,250.00	3,300.00
Trade receivables	52.69	182.29

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	March 31, 2026	March 31, 2025
Trade Payables	0.47	-
Other payables	-	104.14
Other Receivables	-	1.59
iv) Granules CZRO Private Limited		
Investment in subsidiary	2,080.00	1,850.00
Other Receivables	-	1.39
Trade Payables	0.29	0.12
Other Payables	25.11	-
v) Granules Consumer Health, Inc		
Trade receivables*	1,251.03	1,345.70
Other Payables*	9.15	15.87
vi) Ascelis Peptides Private Limited		
Investment in subsidiary	3,300.00	2,000.00
Other receivables	-	26.56
vii) Senn Chemicals AG		
Other receivables*	1.60	-
viii) Granules Pharmaceuticals GmbH		
Investment in subsidiary	2.92	-
b) Enterprises over which key management personnel or their relatives exercise significant influence		
i) Product Armor Packaging Private Limited		
Trade payables	11.53	3.35
ii) Chigurupati Family Trust		
Rent deposit receivable	30.67	30.67
c) Transactions with key managerial personnel - directors and their relative		
i) Commission payable to Directors	77.42	87.58

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.

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.

v) Granules USA Inc., USA was merged with Granules Pharmaceuticals Inc., USA with effect from April 1, 2025.

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 Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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, 2026						
	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	-	-	20,289.92	20,289.92	-	-	-
Other non-current financial assets	-	-	171.15	171.15	-	-	-
Trade receivables	-	-	12,470.22	12,470.22	-	-	-
Cash and cash equivalents	-	-	2,100.93	2,100.93	-	-	-
Bank balances other than cash and cash equivalents	-	-	660.51	660.51	-	-	-
Other current financial assets	-	-	65.09	65.09	-	-	-
b) Financial assets measured at fair value through OCI							
Non-current investments	-	8.30	-	8.30	-	8.30	-
	-	**8.30**	**35,757.82**	**35,766.12**	**-**	**8.30**	**-**
ii) Financial liabilities							
a) Financial liabilities not measured at fair value							
Non-current lease liabilities	-	-	881.73	881.73			
Trade payables	-	-	4,908.66	4,908.66	-	-	-
Other current financial liabilities	-	629.95	963.79	1,593.74	-	-	-
Current lease liabilities	-	-	62.46	62.46	-	-	-
Current borrowings	-	-	7,336.80	7,336.80	-	-	-
	-	**629.95**	**14,153.44**	**14,783.39**	**-**	**-**	**-**

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**	**-**	**-**	**-**

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.

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 63% and 59% of outstanding trade receivable as of March 31, 2026 and March 31, 2025. The maximum exposure to credit risk was ₹ 12,535.31 millions and ₹ 12,988.14 millions as of March 31, 2026 and March 31, 2025 respectively, being the total of the carrying amount of balances with trade receivables, loans and other financial assets excluding derivative assets.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Gross carrying amount of trade receivables	10,841.02	1,647.06	79.77	73.60	2.09	196.44	12,839.98
Expected Credit losses (Loss allowance provision)							(369.76)
Net carrying amount of trade receivables							12,470.22

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)							(361.67)
Net carrying amount of trade receivables							12,945.28

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, 2026:

Particulars	Carrying value	On demand	Less than 1 year	1-2 years	2-5 years	>5 years	Total
Current borrowings excluding interest	7,336.80	7,006.17	330.63	-	-	-	7,336.80
Lease liabilities	944.19	-	114.26	88.20	267.19	1,556.26	2,025.91
Trade payables	4,908.66	-	4,908.66	-	-	-	4,908.66
Other financial liabilities	1,593.74	-	1,593.74	-	-	-	1,593.74

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2025:

Particulars	Carrying value	On demand	Less than 1 year	1-2 years	2-5 years	>5 years	Total
Non current borrowings excluding interest (including current maturities)	517.14	-	517.14	-	-	-	517.14
Current borrowings excluding interest(excluding current maturities of non-current borrowings)	7,564.79	7,407.23	157.56	-	-	-	7,564.79
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

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026	March 31, 2025
USD - Borrowings	+100	(67.56)	(74.07)
	-100	67.56	74.07
EURO - Borrowings	+100	-	(5.17)
	-100	-	5.17
INR - Borrowings	+100	(5.81)	(1.58)
	-100	5.81	1.58

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.

The year end foreign currency exposures are as under -

(All amounts are in Indian Rupees Millions)

Particulars	March 31, 2026		
	USD	EURO	Others
Assets			
Trade receivables	11,371.39	863.60	2.49
Other financial assets	50.72	0.65	1.69
Cash and cash equivalents	1,403.44	149.01	0.15
Total	**12,825.55**	**1,013.26**	**4.33**
Liabilities			
Trade payables	1,416.53	13.71	1.90
Other financial liabilities	320.89	43.79	-
Current borrowings	6,756.17	-	-
Total	**8,493.59**	**57.50**	**1.90**

(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**	**587.26**	**25.41**

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (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	3,896.09	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**

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, 2026	100	32.41	7.15
	-100	(32.41)	(7.15)
March 31, 2025	100	9.53	(0.29)
	-100	(9.53)	0.29

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, 2026, the Company 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 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 hedging instruments 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

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026				
Foreign exchange forward contracts				
Notional amount (in ₹ Millions)	9,398.92	-	-	9,398.92
Average forward rate (₹ / USD)	89.96	-	-	89.96
As at March 31, 2025				
Foreign exchange forward contracts				
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

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, 2026				
Forward exchange contracts	9,398.92	629.95	Derivative instruments under current financial liabilities	566.88
As at March 31, 2025				
Forward exchange contracts	8,177.45	63.07	Derivative instruments under current financial assets	60.69
Euro denominated debt	517.14	517.14	Non-current borrowings and Short-term borrowings	(27.02)

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, 2026			
Highly probable forecast sales	(497.54)	(497.54)	-
As at March 31, 2025			
Highly probable forecast sales	33.67	33.67	-

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, 2026						
Highly probable forecast sales	(497.54)	-	-	-	115.21	Revenue from operations

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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

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.

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, 2026			March 31, 2025		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue from operations	31,996.82	2,742.78	34,739.60	27,992.39	2,309.24	30,301.63
Non-current assets (refer note i)	-	16,297.09	16,297.09	-	15,651.93	15,651.93

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, 2026	March 31, 2025
Borrowings including interest accrued on borrowings and lease liabilities	8,280.99	8,986.92
Less: cash and cash equivalents and other bank balances	(2,761.44)	(1,703.36)
Net debt	**5,519.55**	**7,283.56**

Notes to Standalone Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	March 31, 2026	March 31, 2025
Equity	247.80	242.54
Other equity	43,743.36	33,787.56
Total equity	**43,991.16**	**34,030.10**
Capital gearing ratio	0.13	0.21

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. Other Statutory information

i) There are no proceedings initiated or pending against the Company as at March 31, 2026, 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.

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.

37. Acquisition of Granules Pharmaceuticals GmbH

The Company has acquired a 100% equity stake in M/s Granules Pharmaceuticals GmbH (formerly known as "Optus 1039. GmbH"), Germany for a consideration of EUR 28,400 on November 20, 2025.

38. Labour Code:

The Company has estimated and recognized the impact of implementation of the New Labour Codes under Employee benefits expense for the year ended March 31, 2026. The impact of the same is not material.

Notes to Standalone Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

39. Financial Ratios

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for variance
Current Ratio	22,955.95	14,529.46	1.58	1.43	11%	NA
Debt Equity Ratio	7,336.80	43,991.16	0.17	0.24	-30%	Reduction due to repayment of long-term borrowings
Debt Service Coverage Ratio	6,279.23	1,293.78	4.85	3.19	52%	Due to repayment of long-term borrowings
Return on Equity Ratio	4,006.67	39,010.63	10%	10%	5%	NA
Inventory Turnover Ratio	34,739.60	6,373.49	5.45	4.94	10%	NA
Trade Receivables Turnover Ratio	34,739.60	12,707.75	2.73	2.07	32%	Reduction in trade receivables despite increase in revenue
Trade Payables Turnover Ratio	15,003.98	5,520.13	2.72	2.20	23%	NA
Net capital turnover ratio	34,739.60	8,426.49	4.12	4.41	-7%	NA
Net profit ratio	4,006.67	34,739.60	12%	11%	9%	NA
Return on Capital employed	6,094.12	45,875.81	13%	11%	19%	NA
Return on investment - Treasury	18.79	666.67	3%	2%	41%	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

40. Subsequent event

No significant subsequent events have been observed till April 29, 2026 which may require any additional disclosure or an adjustment to the standalone financial statements other than proposed dividend as disclosed in note 9.

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

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"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2026, 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, 2026, 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, 2026. 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.	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 samples 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.
Key audit matters	**How our audit addressed the key audit matter**
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.	• 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 will 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 identified above when it becomes available 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 Board of 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 charged with the governance 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 entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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, 2026 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 a subsidiary, whose financial statements include total assets of ₹ 2.70 million as at March 31, 2026, and total revenues of ₹ Nil and net cash inflows of ₹ Nil for the year ended on that date. Those financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this 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.

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, based on our audit 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 auditors on separate financial statements and the other financial information of subsidiaries, 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;

   (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, 2026 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, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2026 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, refer to our separate Report in "**Annexure 2**" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 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; and

   (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 subsidiaries, 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. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2026;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2026.

      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 or other auditor's 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) 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.

As stated in note 9 to the consolidated financial statements, the Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of the members of the Company 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 of the Holding Company and of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries have 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 audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Holding Company and the above referred subsidiaries 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: 26102328WWACBB7945

Place of Signature: Hyderabad
Date: April 29, 2026

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: 26102328WWACBB7945

Place of Signature: Hyderabad
Date: April 29, 2026

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Granules India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Granules India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, 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, 2026, 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: 26102328WWACBB7945

Place of Signature: Hyderabad
Date: April 29, 2026

Consolidated Balance Sheet as at March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3A	28,603.26	20,220.59
Capital work-in-progress	3A	4,064.90	4,369.48
Goodwill	3B	116.55	-
Other intangible assets	3B	1,870.50	2,090.42
Intangible assets under development	3B	30.50	32.45
Right-of-use assets	3C	1,910.89	1,953.65
Financial assets			
(i) Investments	4A	8.38	220.39
(ii) Other financial assets	4B	219.34	205.11
Deferred tax assets	12B	638.49	678.31
Income tax assets (net)		351.38	23.85
Other non-current assets	5A	1,708.85	1,576.55
Total non-current assets		**39,523.04**	**31,370.80**
Current assets			
Inventories	6	16,730.25	13,428.19
Financial assets			
(i) Trade receivables	7A	9,093.66	9,422.18
(ii) Cash and cash equivalents	7B	8,802.38	4,661.14
(iii) Bank balances other than cash and cash equivalents above	7B	688.21	1,302.61
(iv) Other financial assets	7C	44.75	14.50
Other current assets	5B	2,317.21	2,326.19
Total current assets		**37,676.46**	**31,154.81**
Total assets		**77,199.50**	**62,525.61**
Equity and liabilities			
Equity			
Equity share capital	8	247.80	242.54
Other equity	9	50,602.15	36,913.24
Total equity		**50,849.95**	**37,155.78**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10A	2,971.51	3,115.11
(ii) Lease liabilities	10B	1,609.50	1,591.92
Provisions	11A	477.85	317.60
Deferred tax liabilities (net)	12A	370.38	313.59
Total non-current liabilities		**5,429.24**	**5,338.22**
Current liabilities			
Financial liabilities			
(i) Borrowings	13A	10,409.82	9,742.75
(ii) Lease liabilities	10B	129.58	97.79
(iii) Trade payables	13B		
(a) Total outstanding dues of micro enterprises and small enterprises		125.70	64.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,602.34	7,196.55
(iv) Other financial liabilities	13C	2,658.60	2,269.13
Other current liabilities	14	416.14	162.01
Provisions	11B	545.63	316.82
Income tax liabilities (net)		32.50	182.42
Total current liabilities		**20,920.31**	**20,031.61**
Total liabilities		**26,349.55**	**25,369.83**
Total equity and liabilities		**77,199.50**	**62,525.61**

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	15	53,656.42	44,816.08
Other income	16	203.29	129.19
Total income		**53,859.71**	**44,945.27**
Expenses			
Cost of materials consumed	17	20,997.82	17,249.37
Changes in inventories of work-in-progress and finished goods	18	(2,240.82)	7.62
Employee benefits expenses	19	8,883.59	6,598.04
Finance costs	20	1,143.54	1,032.38
Depreciation and amortisation expense	21	2,961.42	2,255.01
Impairment losses on financial instruments	7A	48.99	23.36
Other expenses	22	14,115.40	11,485.33
Total expenses		**45,909.94**	**38,651.11**
Profit before exceptional items and tax		**7,949.77**	**6,294.16**
Exceptional items (net)	23	(99.96)	307.50
Profit before tax		**7,849.81**	**6,601.66**
Tax expense/(credit)			
(i) Current tax	24	1,961.48	1,828.03
(ii) Deferred tax	24	(61.88)	(241.53)
Total tax expense		**1,899.60**	**1,586.50**
Profit for the year		**5,950.21**	**5,015.16**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plan	28	103.14	20.67
Income tax relating to items that will not be reclassified to profit or loss	24	(20.95)	(5.29)
Net other comprehensive income not to be reclassified to profit or loss		**82.19**	**15.38**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges	9	(497.54)	33.67
Gain arising on translation of foreign operations		1,723.26	229.65
Income tax relating to items that will be reclassified to profit or loss	24	125.23	(8.47)
Net other comprehensive income to be reclassified to profit or loss		**1,350.95**	**254.85**
Other comprehensive income for the year		**1,433.14**	**270.23**
Total comprehensive income for the year		**7,383.35**	**5,285.39**
Earnings per share:			
Equity shares of par value of ₹ 1 each			
Basic (₹)	25	24.47	20.69
Diluted (₹)		24.46	20.68

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

A. Equity Share Capital (refer note 8)

Particulars	Number of shares	Amount
As at April 01, 2024	**242.37**	**242.37**
Shares issued during the year	0.17	0.17
As at March 31, 2025	**242.54**	**242.54**
Shares issued during the year	5.26	5.26
As at March 31, 2026	**247.80**	**247.80**

B. Other Equity (refer note 9)

Particulars	Reserves and surplus						Items of Other Comprehensive Income			Money received against share warrants	Total
	Capital redemption reserve	Securities premium	Capital reserve	General reserve	Employee stock option plan	Retained earnings	Remeasurement of the net defined benefit plans	Effective portion of Cash flow hedges	Foreign Currency Translation Reserve		
Balances as at April 01, 2024	**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 (net)	-	-	-	-	-	-	15.38	25.20	229.65	-	270.23
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,015.16**	**15.38**	**25.20**	**229.65**	**-**	**5,285.39**
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)
Share based payment	-	-	-	-	(45.97)	-	-	-	-	-	(45.97)
Closing balance as at March 31, 2025	**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**
Profit for the year	-	-	-	-	-	5,950.21	-	-	-	-	5,950.21
Other comprehensive income (net)	-	-	-	-	-	-	82.19	(372.31)	1,723.26	-	1,433.14
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,950.21**	**82.19**	**(372.31)**	**1,723.26**	**-**	**7,383.35**

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Reserves and surplus						Items of Other Comprehensive Income			Money received against share warrants	Total
	Capital redemption reserve	Securities premium	Capital reserve	General reserve	Employee stock option plan	Retained earnings	Remeasurement of the net defined benefit plans	Effective portion of Cash flow hedges	Foreign Currency Translation Reserve		
Dividends	-	-	-	-	-	(363.97)	-	-	-	-	(363.97)
Transfer to securities premium on exercise of employee stock options	-	137.06	-	-	(137.06)	-	-	-	-	-	-
Share premium on issue of equity shares on exercise of options	-	3,013.27	-	-	-	-	-	-	-	-	3,013.27
Share warrants issued (refer note 9)	-	-	-	-	-	-	-	-	-	3,656.25	3,656.25
Closing balance as at March 31, 2026	**13.35**	**4,719.12**	**191.75**	**3,065.32**	**-**	**36,181.06**	**80.08**	**(471.40)**	**3,166.60**	**3,656.25**	**50,602.15**

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Consolidated Statement of Cash Flow for the year ended March 31, 2026

(All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	**7,849.81**	**6,601.66**
Adjustments for :		
Depreciation and amortisation expense	2,961.42	2,255.01
Bad debts written off	37.06	43.23
Impairment losses on financial instruments	48.99	23.36
Allowance for doubtful advances and deposits	16.25	3.32
Loss on sale/disposal of property, plant and equipment (net)	30.62	24.88
Changes in fair value of cashflow hedges	115.21	108.82
Gain from sale of investments	(263.40)	(0.14)
Gain on termination of leases	(1.31)	-
Net loss/(gain) on foreign exchange fluctuations (unrealised)	(116.70)	44.96
Settlement of employee stock options	-	(57.04)
Finance costs	1,143.54	1,032.38
Interest income	(70.44)	(37.43)
Operating profit before working capital changes	**11,751.05**	**10,043.01**
Movements in working capital:		
Decrease in trade receivables	1,445.98	358.84
Increase in inventories	(1,393.53)	(205.69)
(Increase)/ decrease in other assets	187.92	(130.16)
Increase/ (decrease) in trade payables, other liabilities and provisions	(1,656.92)	37.19
Cash generated from operations	**10,334.50**	**10,103.19**
Direct taxes paid (net of refunds)	(2,402.00)	(1,437.53)
Net cash flow generated from operating activities (A)	**7,932.50**	**8,665.66**
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	(5,582.10)	(5,716.94)
Proceeds from sale/disposal of property, plant and equipment	35.23	17.03
Proceeds from sale of investments	316.99	0.15
Payments towards business combination	(1,980.30)	-
Settlement of pre-existing debt obligation in business combination	(1,286.24)	-
Payments towards acquisition of subsidiary	(2.92)	-
Movement in other bank balances	711.68	(1,249.06)
Interest received	55.55	35.96
Net cash flow used in investing activities (B)	**(7,732.11)**	**(6,912.86)**
Cash flow from financing activities		
Proceeds from issuance of equity shares	3,018.53	49.98
Proceeds from issue of share warrants	3,656.25	-
Proceeds from non current borrowings	6.47	2,938.28
Repayment of non current borrowings	(557.86)	(997.94)
Repayment of current borrowings (net)	(550.71)	(1,339.49)
Repayment of lease liabilities (including related interest)	(212.00)	(177.70)
Finance cost paid	(1,203.84)	(1,034.64)
Dividend paid on equity shares	(363.97)	(363.55)
Net cash flow (used in)/generated from financing activities (C)	**3,792.87**	**(925.06)**
Net increase in cash and cash equivalents (A+B+C)	**3,993.26**	**827.74**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	123.93	22.40
Cash and cash equivalents pursuant to business combination	24.05	-
Cash and cash equivalents at the beginning of the year	4,661.14	3,811.00
Cash and cash equivalents at the end of the year	**8,802.38**	**4,661.14**
Components of cash and cash equivalents (refer note 7B):		
Cash on hand	1.52	1.20
Balances with banks		
On current accounts and monitoring accounts	3,027.55	1,001.32
On EEFC accounts	1,551.43	1,200.87
On deposit accounts	4,221.88	2,457.75
Total cash and cash equivalents	**8,802.38**	**4,661.14**

Consolidated Statement of Cash Flow for the year ended March 31, 2026

(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 April 01, 2024	**918.38**	**1,689.86**	**10,542.40**	**18.22**
Finance cost including capitalisation	101.68	-	-	1,059.30
Repayments of borrowings, net	-	(997.94)	(1,339.49)	-
Proceeds from borrowings	-	2,938.28	-	-
Addition of lease liabilities	832.56	-	-	-
Payment of lease liabilities (including related interest)	(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**
Finance cost including capitalisation	129.21	-	-	1,162.80
Proceeds from borrowings	-	6.47	-	-
Repayments of borrowings, net	-	(557.86)	(550.71)	-
Additions through business combination, net of settlement of debt obligation towards borrowings in business combination	-	-	830.39	-
Addition of lease liabilities	80.63	-	-	-
Deletion of lease liabilities	(4.43)	-	-	-
Payment of lease liabilities (including related interest)	(212.00)	-	-	-
Changes in fair values	-	47.05	-	-
Finance cost paid	-	-	-	(1,203.84)
Foreign exchange movement	55.96	-	783.30	0.80
Closing as on March 31, 2026	**1,739.08**	**3,127.91**	**10,244.96**	**8.46**

*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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

Notes to Consolidated Financial Statements

for the year ended March 31, 2026 (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, 2026. These consolidated financial statements were approved for issuance by the Company's Board of Directors on April 29, 2026.

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 management to make estimates, judgements and assumptions.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026 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.
- Note 2(l) - Measurement of transaction price in a revenue transaction (sales return, rebates, medicaid and chargeback provision).

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, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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.

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.

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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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 shareholders

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.

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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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 transaction price which is 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.

In arriving at the transaction price, the Group considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Group is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated rebates, returns and chargebacks, which are considered to be key estimates. Any amount of variable consideration is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. The Group estimates the amount of variable consideration using the expected value method.

Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Rebates are deductions based on contractual obligations and may include direct rebates, indirect rebates and other pricing adjustments. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on the terms of the agreement with the wholesaler, historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler. The provision represents estimates of the related obligations, requiring the use of judgment when estimating the effect of these revenue deductions.

ii. Service income

The Group provides product development activities which are linked to the products manufactured. Usually these services are provided over a period of time with specific milestones.

Revenue from such services is recognised over time, as the Group's performance creates or enhances an asset that the customer controls.

iii. 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.

iv. 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.

v. Interest income or expense

Interest income or expense is recognised using the effective interest method on time proportion method.

vi. Dividend income

Dividend income is recognised when the Group'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 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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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 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. Business combinations and goodwill

Business combinations are accounted for using the acquisition method, regardless of whether equity instruments or other assets are acquired, unless the transaction is treated as an asset acquisition by applying the optional concentration test or otherwise. The optional concentration test permits the acquirer to make an election on a transaction-by-transaction basis, and apply a simplified assessment for determining whether an acquired set of activities and assets is a business.

The optional concentration test is met, and the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the acquisition is comprised of:

- fair values of the assets transferred;
- fair values of liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest.

At the acquisition date, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values.

Acquisition-related costs are expensed as incurred. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as a financial liability is subsequently re-measured to fair value, with changes in fair value recognised in the statement of Profit and Loss.

Goodwill is initially measured at cost, being the excess of (i) the aggregate of the consideration transferred, the amount of non-controlling interest in the acquired entity, and the acquisition date fair value of any previous equity interest in the acquired entity, over (ii) the fair value of the Company's share of net identifiable assets acquired.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference after reassessment, is recognized in the statement of Profit and Loss as a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units or the group of cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

r. Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and, based on its evaluation, has determined that it does not have any significant impact on its financial statements.

In August 2025, MCA notified the following amendments:

(i) Ind AS 1 – Presentation of Financial Statements, applicable w.e.f. April 1, 2025

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

(ii) Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025

The amendment in Ind AS 7 requires entities to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of such arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and, based on its evaluation, has determined that it does not have any significant impact on its financial statements.

(iii) Ind AS 12 – International Tax Reform – Pillar Two Model Rules, applicable immediately

The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that the entity has applied the relief. This relief is immediate and applies retrospectively.

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, 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**
Additions through business combination (refer note 39)	1,002.98	1,271.78	-	676.05	0.18	10.79	-	-	2.27	2,964.05
Additions	280.84	2,263.51	229.18	3,492.43	44.35	86.43	199.27	69.80	1.31	6,667.12
Disposals	-	(16.15)	-	(396.97)	(2.61)	(1.82)	(5.76)	(8.03)	(5.81)	(437.15)
Exchange differences	214.90	433.21	73.69	446.55	10.01	6.78	4.88	5.10	1.32	1,196.45
At March 31, 2026	**2,644.64**	**12,440.69**	**1,360.30**	**22,879.50**	**537.11**	**416.15**	**917.52**	**419.78**	**93.26**	**41,708.97**
Accumulated Depreciation										
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**
Depreciation for the year	-	455.95	96.01	1,447.88	60.78	57.07	61.28	30.69	10.09	2,219.75
Disposals	-	(15.16)	-	(346.31)	(2.61)	(1.69)	(4.89)	(7.72)	(3.33)	(381.71)
Exchange differences	-	74.45	17.02	66.05	5.92	2.14	1.10	2.14	0.94	169.76
At March 31, 2026	**-**	**2,248.18**	**277.32**	**9,318.30**	**360.55**	**222.45**	**390.03**	**232.00**	**56.86**	**13,105.71**
Net block										
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**
At March 31, 2026	**2,644.64**	**10,192.50**	**1,082.98**	**13,561.21**	**176.56**	**193.70**	**527.48**	**187.77**	**36.40**	**28,603.26**

Capital work-in-progress	
At March 31, 2025	**4,369.48**
At March 31, 2026	**4,064.90**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Capital work -in -Progress- Movement

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning	4,369.48	2,595.43
Additions including additions through business combination and exchange differences* (refer note 39)	6,362.54	6,201.85
Capitalised during the year	(6,667.12)	(4,427.80)
Balance at the end	**4,064.90**	**4,369.48**

*Includes finance cost capitalized amounting to ₹ 192.00 million (March 31, 2025: 128.60)

Ageing Schedule for Capital work -in -Progress as below

Particulars	March 31, 2026					March 31, 2025				
	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	3,021.30	360.23	683.37	-	4,064.90	4,004.41	359.99	5.08	-	4,369.48
Total	**3,021.30**	**360.23**	**683.37**	**-**	**4,064.90**	**4,004.41**	**359.99**	**5.08**	**-**	**4,369.48**

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.

* Projects in progress as at March 31, 2026 outstanding for 1-2 years amounting to ₹ 342.13 million and for 2-3 years : 683.37 million were acquired as part of a business combination.

3B. Intangible assets - Reconciliation of carrying amount

Particulars	Goodwill	Other intangible assets		Total
		Software	Product and other related intangibles	
Gross block				
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**
Additions	-	39.83	153.73	193.56
Additions through business combination (refer note 39)	116.55	1.14	-	1.14
Disposals	-	-	(200.62)	(200.62)
Exchange differences	-	12.14	401.45	413.59
At March 31, 2026	**116.55**	**414.34**	**5,061.52**	**5,475.86**
Accumulated amortisation				
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**
Amortisation for the year	-	47.50	523.93	571.43

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Goodwill	Other intangible assets		Total
		Software	Product and other related intangibles	
Disposals	-	-	(190.22)	(190.22)
Exchange differences	-	4.91	241.47	246.38
At March 31, 2026	**-**	**238.86**	**3,366.50**	**3,605.36**
Net block				
At March 31, 2025	**-**	**174.78**	**1,915.64**	**2,090.42**
At March 31, 2026	**116.55**	**175.48**	**1,695.02**	**1,870.50**

Goodwill arising upon business combinations is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired.

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. Entire goodwill has been allocated to Swiss operations (Senn Chemicals AG).

The recoverable amount of the cash generating unit has been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Group has based its determinations of value-in-use include:

a) Estimated cash flows not exceeding five years.

b) The post-tax discount rates used are based on the Company's weighted average cost of capital.

c) Terminal value is arrived at by extrapolating the last forecasted year cash flows to perpetuity, using constant long-term growth rate of 2%. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector. The pre-tax discount rate used for impairment testing is 8.34%.

Intangible assets under development

Particulars	
At March 31, 2025	32.45
At March 31, 2026	**30.50**

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, 2026	Projects in Progress	30.50	-	-	-	30.50
	Total	**30.50**	**-**	**-**	**-**	**30.50**
March 31, 2025	Projects in Progress	15.23	-	17.22	-	32.45
	Total	**15.23**	**-**	**17.22**	**-**	**32.45**

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, 2024	**1,512.61**	**71.33**	**1,583.94**
Additions	832.56	-	832.56
Deletions	-	-	-

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Buildings	Computers	Total
Exchange differences	17.60	-	17.60
At March 31, 2025	**2,362.77**	**71.33**	**2,434.10**
Additions	58.18	22.45	80.63
Deletions	(10.77)	-	(10.77)
Exchange differences	74.03	-	74.03
At March 31, 2026	**2,484.21**	**93.78**	**2,577.99**
Accumulated depreciation			
At March 31, 2024	**289.72**	**43.98**	**333.70**
Depreciation for the year	133.04	10.04	143.08
Deletions	-	-	-
Exchange differences	3.67	-	3.67
At March 31, 2025	**426.43**	**54.02**	**480.45**
Depreciation for the year	158.69	11.55	170.24
Deletions	(7.65)	-	(7.65)
Exchange differences	24.06	-	24.06
At March 31, 2026	**601.53**	**65.57**	**667.10**
Net block			
At March 31, 2025	**1,936.34**	**17.31**	**1,953.65**
At March 31, 2026	**1,882.68**	**28.21**	**1,910.89**

i) The aggregate depreciation expense on assets taken on lease is included under depreciation and amortisation expense in the Statement of profit and loss (refer note 21)

4. Financial Assets- Non Current

4A. Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investments		
a. In Unquoted equity shares (Fair value through OCI)		
Jeedimetla Effluent Treatment Ltd - 15,142 (March 31, 2025 : 15,142) equity shares of ₹ 10/- each fully paid up	5.96	5.96
Patancheru Envirotech Ltd - 34,040 (March 31, 2025: 34,040) equity shares of ₹ 10/- each fully paid up	0.34	0.34
RVK Energy Private Ltd - 1,282,000 (March 31, 2025: 1,282,000) equity shares of ₹ 10/- each fully paid up	2.00	2.00
US Pharma Limited - Nil (March 31, 2025 : 410.52) equity shares	-	212.09
b. In Quoted equity shares (Fair value through OCI)		
Swiss Life Holding AG - 1 (March 31, 2025 : Nil) equity share of CHF 0.10/- each fully paid up	0.08	-
Total	**8.38**	**220.39**
Aggregate book value of quoted investments	0.08	-
Aggregate market value of quoted investments	0.08	-
Aggregate value of unquoted investments	8.30	220.39

4B. Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits		
Considered good	202.96	194.69
Considered doubtful	5.00	-
	207.96	**194.69**
Less : Allowance for doubtful deposits*	(5.00)	-
Deposits with remaining maturity more than 12 months (Unsecured, considered good)	16.38	10.42
Total	**219.34**	**205.11**

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

***Details of movement in allowance for doubtful deposits :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	-	-
Provision made during the year, net of reversals	5.00	-
Amounts written off during the year	-	-
Balance at the end of the year	**5.00**	**-**

5. Other assets

5A. Non-current (Unsecured)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances		
Considered good	1,685.54	1,496.59
Considered doubtful	7.32	-
	1,692.86	**1,496.59**
Balance with government authorities	23.31	79.96
Less : Allowance for doubtful advances*	(7.32)	-
Total	**1,708.85**	**1,576.55**

***Details of movement in allowance for doubtful advances :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	-	-
Provision made during the year, net of reversals	7.32	-
Balance at the end of the year	**7.32**	**-**

5B. Current (Unsecured, considered good)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance with government authorities	1,103.58	1,463.08
Prepaid expenses	573.57	409.11
Export incentives receivable	142.37	130.04
Advance to suppliers		
Considered good	497.69	323.96
Considered doubtful	38.60	34.68
	2,355.81	**2,360.87**
Less : Allowance for doubtful advances*	(38.60)	(34.68)
Total	**2,317.21**	**2,326.19**

***Details of movement in allowance for doubtful advances :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	34.68	31.36
Provision made during the year, net of reversals	3.92	3.32
Balance at the end of the year	**38.60**	**34.68**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

6. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials*	4,391.49	3,631.25
Packing materials	527.13	748.61
Work-in-progress	1,457.09	1,318.09
Finished goods**	9,771.74	7,077.52
Stores, spares and consumables	582.80	652.72
Total	**16,730.25**	**13,428.19**

*includes raw materials-in-transit ₹ 126.07 millions (March 31, 2025 - ₹ 108.11 millions).

**includes finished goods-in-transit ₹ 603.21 millions (March 31, 2025 - ₹ 688.70 millions)

i) For details of inventories hypothecated against borrowings Refer note 10A & 13A.

7. Financial Assets

7A. Trade receivables (Unsecured)

Particulars		As at March 31, 2026	As at March 31, 2025
(a) Considered good		9,204.67	9,434.25
Less : Allowance for doubtful trade receivables		(111.01)	(74.23)
	(A)	9,093.66	9,360.02
(b) Significant increase in credit risk		161.49	193.10
(c) Credit impaired		202.87	157.90
Less : Allowance for doubtful trade receivables		(364.36)	(288.84)
	(B)	-	62.16
Total	(C=A+B)	9,093.66	9,422.18

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 Group'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, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	363.07	338.78
Additions through business combinations	50.50	-
Provision made during the year including exchange differences, net of reversals	61.80	24.29
Balance at the end of the year	475.37	363.07

Ageing Schedule for Trade receivables as below

As at March 31, 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	
(i) Undisputed Trade receivables - considered good	6,856.50	2,284.72	34.59	4.21	24.65	-	9,204.67
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	47.86	73.69	2.09	37.85	161.49
(iii) Undisputed Trade Receivables - credit impaired	-	10.08	9.70	24.50	-	-	44.28
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	158.59	158.59
Total	**6,856.50**	**2,294.80**	**92.15**	**102.40**	**26.74**	**196.44**	**9,569.03**

As at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	
(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**

7B. Cash and bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
i) Cash on hand	1.52	1.20
ii) Balance with banks:		
On current accounts and monitoring accounts (refer note {b} below)	3,027.55	1,001.32
On EEFC accounts	1,551.43	1,200.87
Deposits with original maturity of less than 3 months (refer note {b} below)	4,221.88	2,457.75
Total -(i+ii)	**8,802.38**	**4,661.14**
iii) Bank balances other than cash and cash equivalents stated above		
Unpaid dividend account	3.21	4.06
Deposits with original maturity for less than 12 months (refer note {b} below)	530.56	26.05
Balance in escrow account	-	1,096.60
Margin money deposits (refer note {a} below)	154.44	175.90
Total -(iii)	**688.21**	**1,302.61**

a) Margin money deposits are subject to first charge against bank guarantees and/or letters of credit obtained.

b) Includes unutilised portion amounting to ₹ 4,474.59 million received towards issue of convertible share warrants and issue of equity shares of ₹ 1 each on a preferential basis which are required to be utilised in accordance with the terms of issue.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

7C. Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on deposits	16.50	-
Advance to employees	17.24	12.00
Deposits with original maturity more than 12 months and remaining maturity less than 12 months	11.01	2.50
Total	**44.75**	**14.50**

8. Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized		
505,000,000 (March 31, 2025: 505,000,000) Equity Shares of ₹1/- each	505.00	505.00
Issued, subscribed and fully paid up		
247,796,921 (March 31, 2025 : 242,543,716) fully paid up equity shares of ₹1/- each.	247.80	242.54

8.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	24,25,43,716	24,23,68,716
Add: Shares issued on exercise of employee stock options	1,25,000	1,75,000
Add: Shares issued in cash through preferential issue	51,28,205	-
Number of shares at the end of the year	**24,77,96,921**	**24,25,43,716**

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. 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, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Krishna Prasad Chigurupati	7,67,99,111	30.99%	7,67,99,111	31.66%
Life Insurance Corporation of India	1,29,39,570	5.22%	1,27,82,570	5.27%

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, 2026

Shares held by promoters

Promoter Name	As at March 31, 2026		As at March 31, 2025		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Dr. Krishna Prasad Chigurupati	7,67,99,111	30.99%	7,67,99,111	31.66%	-0.67%
Chigurupati Uma Devi	92,40,761	3.73%	92,40,761	3.81%	-0.08%
Priyanka Chigurupati	18,18,683	0.73%	18,18,683	0.75%	-0.02%
Pragnya Chigurupati	18,42,035	0.74%	18,42,035	0.76%	-0.02%
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	1.43%	35,52,557	1.46%	-0.03%
Santhi Sree Ramanavarapu	8,55,878	0.35%	8,55,878	0.35%	-0.01%

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%	-

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.

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 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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Dividends

The following dividends were paid by the company

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
₹1.50 per equity share (March 31, 2025 : ₹ 1.50 per share)	363.97	363.55
Total	**363.97**	**363.55**

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	For the year ended March 31, 2026	For the year ended March 31, 2025
₹1.75 per equity share (March 31, 2025 : ₹ 1.50 per share)	433.64	363.82
Total	**433.64**	**363.82**

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, 2026	As at March 31, 2025
Balance at the beginning of the year	(99.09)	(124.29)
Gain/(loss) recognised in other comprehensive income during the year	(612.75)	(75.15)
Amount reclassified to statement of profit and loss during the year	115.21	108.82
Tax impact on the above	125.23	(8.47)
Balance at the end of the year	**(471.40)**	**(99.09)**

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.

Money received against share warrants

The Board of Directors of the Company, in their meeting held on December 23, 2025 have approved a issuance of 25,000,000 warrants, which are convertible into fully paid-up Equity Shares of the Company, on preferential basis to the Promoter and Non-Promoter investor category of the Company, up to an amount of ₹ 14,625 million, at a issue price of ₹ 585/- per Warrant (derived pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018).

Each Warrant will be convertible into One Equity Share of the Company and the rights attached to Warrants can be exercised in one or more tranches at anytime within a period of 18 months from the date of allotment of Warrants.

Shareholders of the Company, in Extra-ordinary General Meeting held on January 22, 2026, approved the issuance of Warrants on preferential basis. During the year ended March 31, 2026, the Company received an aggregate consideration of ₹ 3,656.25 million on February 23, 2026 towards minimum 25% of the total consideration of the Warrants.

Details of warrant holders - Promoter and Non- Promoter group

Name	Type	No. of warrants issued
Mrs. Uma Devi Chigurupati	Promoter	2,48,80,342
Ms. Priyanka Chigurupati	Promoter	34,188
Ms. Pragnya Chigurupati	Promoter	34,188
Mr. Harsha Chigurupati	Promoter	34,188
Dr. Venkata Srinivas Pullela	Non-Promoter investor	17,094

10. Non-current financial liabilities

10A. Borrowings

Particulars	Non-current portion		Current maturities (refer Note 13A)	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Term Loans (Secured)				
Loans from banks/financial institutions	2,971.51	3,115.11	156.40	517.14
Total	**2,971.51**	**3,115.11**	**156.40**	**517.14**

The details of secured loans are as under:

Name of the bank/financial institutions	Sanction Amount Mn	Commencement of Installment	No of installments / Rate of Interest	Outstanding as on March 31, 2026	Outstanding as on March 31, 2025
International Finance Corporation (Refer note (i) and (iii))	EUR 45.00	Jan-20	12 half yearly equal installments of EUR 3.75 Mn 6M Euribor + 1.00% p.a. (March 31, 2025 : 6M Euribor +1.00% p.a.)	-	349.36
Hong Kong and Shanghai Banking Corporation (Refer note (i) and (iii))	EUR 16.20	Jul-21	9 half yearly installments of EUR 1.8 Mn 6M Euribor +0.80 % p.a. (March 31, 2025: 6M Euribor +0.80 % p.a.)	-	167.78
State Bank of India (₹) (Refer note (ii) and (iii))	₹ 4,000	Jun-26	28 structured quarterly installments 3M MCLR + 0.20% p.a (March 31, 2025:3M MCLR + 0.20% p.a)	3,127.91	2,127.92
State Bank of India (USD) (Refer note (ii) and (iii))				-	987.19

i) All secured term loans of Granules India Limited are secured by a paripassu first charge on the property, plant and equipment of present and future of the Granules India Limited and a paripassu second charge of the current assets of present and future of the Granules India Limited.

ii) Secured term loans of Granules Life Sciences Private Limited are secured by exclusive charge on property, plant and equipment of present and future of the GLS and a pari passu second charge on the current assets of present and future of the Granules Life Sciences Private Limited.

iii) 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, 2026	As at March 31, 2025
Non-current lease liabilities	1,609.50	1,591.92
Current lease liabilities	129.58	97.79
Total	**1,739.08**	**1,689.71**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (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 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	**1,689.71**
Additions	80.63
Finance cost accrued for the year	129.21
Deletions	(4.43)
Payment of lease liabilities including exchange differences	(156.04)
Balance as at March 31, 2026	**1,739.08**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	215.70	198.61
One to five years	756.85	691.83
More than five years	2,444.87	2,594.55
Total	**3,417.42**	**3,484.99**

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, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets (refer note 21 & 3C)	170.24	143.08
Interest expense on lease liabilities (refer note 20)	129.21	101.68
Expense relating to short-term leases (refer note 22)	176.35	140.04
Total amount recognised in Statement of profit and loss	**475.80**	**384.80**

11. Provisions

11A. Non-current

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity (refer note 28(b))	230.84	317.60
Pension liabilities (refer note 28(b))	157.37	-
Other provisions		
Restoration / contamination provision**	89.64	-
Total	**477.85**	**317.60**

11B. Current

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity (refer note 28(b))	74.54	71.64
Compensated absences^	191.90	171.61
Provision for sales return*	279.19	73.57
Total	**545.63**	**316.82**

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

^Details of movement in provision for Compensated absences are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	171.61	140.30
Provision made during the year, net of reversals	87.87	82.33
Benefits paid to employees	(67.58)	(51.02)
Balance as at end of the year	**191.90**	**171.61**

***Details of movement in provision for sale return are as follows:**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	73.57	3.57
Additions through business combinations including exchange differences (refer note 39)	46.00	-
Provision made during the year, net of reversals	159.62	70.00
Balance as at end of the year	**279.19**	**73.57**

****Details of movement in restoration / contamination provision are as follows:**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	-	-
Additions through business combinations including exchange differences (refer note 39)	89.64	-
Balance as at end of the year	**89.64**	**-**

12A. Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	1,044.65	684.71
Right of use assets	215.03	217.58
Gross deferred tax liabilities	**1,259.68**	**902.29**
Deferred tax asset		
Employee benefit obligations	158.59	145.06
Allowance for doubtful debts / credit loss	93.06	91.02
Cash flow hedges	158.55	33.33
Allowance for doubtful advances	12.82	8.73
Lease liabilities	237.63	227.77
Business loss	158.05	12.80
Others	70.60	69.99
Gross deferred tax assets	**889.30**	**588.70**
Net deferred tax liabilities	**370.38**	**313.59**

12B. Deferred tax asset (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset		
Employee benefit obligations	127.86	60.62
Business loss	5.40	91.53
Research credit	138.11	345.38
Stock reserve	776.35	570.37

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions	286.50	171.21
Others	110.62	183.72
Gross deferred tax asset	**1,444.84**	**1,422.83**
Deferred tax liabilities		
Property, plant and equipment and intangible assets	806.35	744.52
Gross deferred tax liabilities	**806.35**	**744.52**
Net deferred tax asset	**638.49**	**678.31**

(refer note 24 for movement in deferred tax balances)

13. Current financial liabilities

13A. Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Current borrowings		
Secured		
Packing credit loans (refer note (i) & (ii))	5,942.57	4,790.32
Working capital loan (refer note (iii))	2,364.50	1,315.46
Unsecured		
Packing credit loans (refer note (ii))	1,305.30	2,616.91
Working capital loan (refer note (iv) & (v))	250.00	345.36
Credit card payable (refer note vi)	391.05	157.56
Current maturities of non-current borrowings (refer note 10A)	156.40	517.14
Total	**10,409.82**	**9,742.75**

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 4.19% to 4.60% p.a benchmark linked to SOFR (March 31, 2025: 5.25% to 5.50% p.a) from banks. The facility is repayable within maximum period of 180 days from the date of its origination.

iii) As on March 31, 2026 under revolving credit facility agreement (""the agreement") with a bank, Senn Chemicals AG., has available borrowings of CHF 25 millions. The interest rate as per the agreement was stipulated at 1.25% p.a. The said borrowings are repayable on demand.

As on March 31, 2025 under a line of credit agreement (""the agreement") with a bank, Granules Pharamaceuticals 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.

iv) The Group has unsecured loan carrying an interest rate of 6.75% per annum. The facility is repayable within 90 days from the date of its origination.

v) As on March 31, 2025 Granules Pharamaceuticals Inc., has outstanding revolving credit facility carrying an interest rate of Reference rate + 1.05% p.a from banks.

vi) The Group has unsecured credit card payables repayable on monthly basis.

vii) As on March 31, 2026 the Holding Company 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.

viii) The Group's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

13B. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables (refer note (b) below)		
Total outstanding dues of micro enterprises and small enterprises (refer note (a) below)	125.70	64.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,602.34	7,196.55
Total	**6,728.04**	**7,260.69**

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	125.70	64.14
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.	-	-
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 disclosed in Note 33.

Refer Note 31 for trade payable to related parties.

Ageing Schedule for Trade payables as below:

As on March 31, 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	125.70	-	-	-	125.70
ii) Others	6,568.27	9.92	18.86	5.29	6,602.34
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-
Total	**6,693.97**	**9.92**	**18.86**	**5.29**	**6,728.04**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

As on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
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**

13C. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Capital creditors	672.18	981.01
Employee benefits payable	940.74	749.71
Unclaimed dividend	3.45	4.30
Derivative financial instruments	629.95	82.40
Others*	412.28	451.71
Total	**2,658.60**	**2,269.13**

* Includes payable to customers

14. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities (refer note 15)	304.22	43.76
Statutory liabilities	111.92	118.25
Total	**416.14**	**162.01**

15. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	53,389.17	44,559.72
Other operating revenue*	267.25	256.36
Total	**53,656.42**	**44,816.08**

*Includes sale of scraps and export incentives

The operations of the Group are limited to one segment viz. pharmaceuticals products. Revenue from operations is from sale of manufactured goods and other operating revenue which includes services. 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, 2026	For the year ended March 31, 2025
Revenue as per the contracted price	1,00,216.10	74,507.41
Adjusted for :		
Less : Sales returns, Chargebacks, rebates and discounts	(46,559.68)	(29,691.33)
Total revenue from operations	**53,656.42**	**44,816.08**

Notes to Consolidated Financial Statements (Contd..)
for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026	For the year ended March 31, 2025
Within India	2,215.38	2,708.28
Outside India	51,441.04	42,107.80
Total revenue from operations	**53,656.42**	**44,816.08**

Details of contract liabilities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract liabilities (refer note 14)	304.22	43.76

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 or overtime. The amount of ₹ 30.86 millions (March 31, 2025 - ₹ 149.49 millions) included in contract liablities as at March 31, 2025 has been recognised as revenue in the current year.

Timing of revenue recognition	For the year ended March 31, 2026	For the year ended March 31, 2025
Goods transferred at a point in time	53,532.20	44,635.26
Services transferred at a over the time	124.22	180.82
Total	**53,656.42**	**44,816.08**

16. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
Deposits with banks	57.67	29.49
Others*	12.77	7.93
Foreign exchange gain, net	91.99	-
Gain on sale of Investments	-	0.14
Other non-operating income	40.86	91.63
Total	**203.29**	**129.19**

*Includes interest income on security deposits and other miscellaneous interest

17. Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	4,379.86	4,139.16
Additions through business combination (refer note 39)	119.81	-
Add: Purchases	21,416.77	17,490.07
	25,916.44	**21,629.23**
Less: Inventory at the end of the year	4,918.62	4,379.86
Cost of materials consumed	**20,997.82**	**17,249.37**

18. Changes in inventory of work-in-progress and finished goods

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Finished goods	9,771.74	7,077.52
Work-in-progress	1,457.09	1,318.09
	11,228.83	**8,395.61**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Additions through business combination (refer note 39)		
Finished goods	326.96	-
Work-in-progress	265.44	-
	592.40	**-**
Inventories at the beginning of the year		
Finished goods	7,077.52	7,181.61
Work-in-progress	1,318.09	1,221.62
	8,395.61	**8,403.23**
Total	**(2,240.82)**	**7.62**

19. Employee benefit expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus (refer note 28(b))	8,130.09	5,903.22
Managerial remuneration (refer note 31)	392.20	401.42
Contribution to provident and other funds (refer note 28(a))	156.52	127.31
Staff welfare expenses	204.78	166.09
Total	**8,883.59**	**6,598.04**

20. Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense		
- Term loan	67.58	49.70
- Working capital	511.84	452.79
- Others	5.68	2.53
Interest on lease liabilities (refer note 10B)	129.21	101.68
Other borrowing costs	429.23	425.68
Total	**1,143.54**	**1,032.38**

21. Depreciation and amortisation

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation	2,389.99	1,727.37
Amortisation	571.43	527.64
Total	**2,961.42**	**2,255.01**

22. Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spares	521.11	384.09
Power and fuel	1,288.66	1,007.43
Effluent treatment expenses	334.75	256.89
Analytical fees	127.58	61.37
Other manufacturing expenses	414.98	375.67
Repairs and maintenance		
Plant and machinery	1,065.56	716.56
Buildings	157.36	65.05
Others	593.13	523.18

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent	176.35	140.04
Rates and taxes	483.59	448.67
Printing and stationery	38.49	35.02
Insurance	516.81	454.92
Commission to directors (refer note 31)	19.85	16.58
Directors sitting fees (refer note 31)	8.32	3.46
Remuneration to statutory auditors (refer note 30)	19.58	15.74
Sales commission	207.67	200.04
Carriage outwards & clearing charges	2,817.42	2,544.82
Research & development expenses (refer note 29)	2,852.80	2,376.76
Business promotion expense / Other commercial expenses	307.69	219.87
Communication expenses	44.10	31.37
Consultancy charges	1,279.61	958.46
Travelling and conveyance	290.15	226.40
Advertisement charges	1.33	13.12
Donations	22.36	0.55
Loss on sale of property, plant and equipment (net)	30.62	24.88
Bad debts written off	37.06	43.23
Allowance for doubtful advances	16.25	3.32
Foreign exchange loss (net)	-	1.32
Corporate social responsibility expenditure (refer note 22A)	113.03	118.91
Miscellaneous expenses	329.19	217.61
Total	**14,115.40**	**11,485.33**

The Company received a USFDA (US Food and Drug Administration) warning letter for the Gagillapur facility in February 2025 following an inspection during August–September 2024. In response, the Group voluntarily paused manufacturing and distribution operations at the facility during September 2024 to conduct comprehensive risk assessments and address the observations of USFDA inspection. The Group had taken adequate remedial measures involving three independent consultants to enhance existing procedures, develop and implement new procedures, and engage consultants on-site for data collection and review to ensure comprehensive investigations and effective implementation of corrective and preventive actions.

This has impacted the Group's revenue due to slow down of production and increase in expenses (mainly consultancy expenses and air freight costs).

22A. Details of Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Gross amount required to be spent by the Company during the year:	112.81	118.89
(b) Amount spent during the year ended		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above in cash	113.03	118.91
(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)	63.48	102.30
(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 separately.	Not Applicable	Not Applicable
(i) Excess amount spent		
Opening Balance	0.23	0.21
Amount required to be spent during the year	112.81	118.89
Amount spent during the year	113.03	118.91
Closing balance	**0.45**	**0.23**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

23. Exceptional Items

For the year ended March 31, 2026:

i) Exceptional items (net) comprise:

(a) transaction costs incurred in relation to the acquisition of Senn Chemicals AG amounting to ₹ 121.60 million.

(b) settlements of certain litigations of Granules Pharmaceuticals Inc.(""GPI"") which were disclosed as contingent liabilities till March 31, 2025 as the outcome of the litigations was uncertain and possible outflow of resources could not be reliably measured; and

ii) The Group had invested USD 5.48 million in US Pharma Ltd. Subsequently, during the year ended March 31, 2020, the Group had written down the value of investment by USD 3.00 million. During the year, the Group has disposed the investment and has recorded a gain of USD 2.96 million (₹ 263.39 million) representing the difference between the total consideration of USD 5.44 million (comprising of USD 3.70 million (₹ 104.25 million) in cash and USD 1.74 million (₹ 159.15 million) of product related intangible) and the carrying value of the investment.

For the year ended March 31, 2025:

During the year ended March 31, 2025, the Company received an insurance claim towards business interruption arising from the information security incident encountered during the year ended March 31, 2024. The same has been recognised as 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, 2026	For the year ended March 31, 2025
Current tax	1,961.48	1,828.03
Deferred tax benefit		
Attributable to the origination and reversal of temporary differences	(61.88)	(241.53)
Total tax expense recognised in statement of profit & loss	**1,899.60**	**1,586.50**

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax (A)	7,849.81	6,601.66
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	1,975.64	1,661.51
Adjustment of tax relating to earlier periods	(42.10)	(46.37)
Effect of tax incentives and concessions	(68.17)	(62.81)
Reversal of valuation allowance on deferred tax assets on fair value changes in investment	(62.44)	-
Expenditure not allowed for tax purposes	23.46	23.16
Unrecognised deferred tax assets	36.08	13.90
Others	37.13	(2.89)
Tax expense	**1,899.60**	**1,586.50**
Effective tax rate	**24.20%**	**24.03%**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Movement in temporary differences:

Particulars	Balance as at April 1, 2024	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, 2025	Additions through business combination (refer note 39)	Recognised in profit or loss during the year including exchange differences	Recognised in OCI during the year	Balance as at March 31, 2026
On account of depreciation and amortization	(1,428.83)	(0.40)	-	(1,429.23)	(255.76)	(166.01)	-	(1,851.00)
On account of right of use assets	(23.85)	(193.73)	-	(217.58)	-	2.55	-	(215.03)
On account of employee benefits	184.99	25.98	(5.29)	205.68	32.52	69.20	(20.95)	286.45
On account of allowance for doubtful debts	80.96	10.06	-	91.02	-	2.04	-	93.06
On account of allowance for doubtful advances	7.89	0.84	-	8.73	-	4.09	-	12.82
On account of leased liabilities	27.09	200.68	-	227.77	-	9.86	-	237.63
On account of cash flow hedges	41.80	-	(8.47)	33.33	-	(0.01)	125.23	158.55
On account of business loss	74.27	30.06	-	104.33	-	59.12	-	163.45
On account of stock reserve	634.87	(64.50)	-	570.37	-	205.98	-	776.35
On account of provisions	136.30	34.91	-	171.21	-	115.29	-	286.50
On account of research credit	162.56	182.82	-	345.38	-	(207.27)	-	138.11
Others	242.03	11.69	-	253.71	-	(72.49)	-	181.22
Total	**140.08**	**238.41**	**(13.76)**	**364.72**	**(223.24)**	**22.35**	**104.28**	**268.11**

Income tax recognised in other comprehensive income

Particulars	For the Year ended March 31, 2026			For the Year ended March 31, 2025		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Gain/(loss) arising on translation of foreign operations	1,723.26	-	1,723.26	229.65	-	229.65
Fair value changes on cash flow hedges	(497.54)	125.23	(372.31)	33.67	(8.47)	25.20
Re-measurement of defined benefit liability	103.14	(20.95)	82.19	20.67	(5.29)	15.38
Total	**1,328.86**	**104.28**	**1,433.14**	**283.99**	**(13.76)**	**270.23**

25. Earning per equity share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings		
Profit for the year	5,950.21	5,015.16
Weighted average shares used for computing of basic EPS	243.16	242.41
Add: Effect of dilution		
Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	0.08	0.09
Weighted average shares used for computing diluted EPS	**243.24**	**242.50**
Earnings per share		
- Basic (in ₹)	24.47	20.69
- Diluted (in ₹)	24.46	20.68

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

26. Contingent liabilities and commitments

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Contingent liabilities:		
Claims arising from disputes not acknowledged as debts - direct taxes	-	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:

RMRx LLC, filed a legal case against Granules Consumer Health LLC, by claiming a breach of contract in Superior Court of New Jersey, Bergen County. Currently the case discovery is completed and depositions are in progress.

Particulars	As at March 31, 2026	As at March 31, 2025
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,176.04	3,771.39

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 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.

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 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

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026			
	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	1,25,000	97.00 to 353.00	148.20	3
Add : Granted during the year	-	-	-	-
Less: Exercised during the year	1,25,000	97.00 to 353.00	148.20	-
Less: Lapsed/Cancelled/Surrendered during the Year	-	-	-	-
At the end of the year	-	-	-	-
Exercisable the end of the year	-	-	-	-

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 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

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	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

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

28. Employee benefits

a) Defined contribution plan

Particulars	March 31, 2026	March 31, 2025
Contribution to provident fund	151.92	121.87
Contribution to employee state insurance	4.60	5.44
Total	**156.52**	**127.31**

b) Post employment benefit plans

Gratuity plan

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:

Pension plan

For the subsidiary company in Switzerland, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognised for obligations arising from benefit plans for old age, invalidity, and surviving dependents benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country and are usually based on the length of service and final salary of employees. The pension plan is funded .

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the pension 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	
	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension
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**	**-**	**0.09**	**-**	**389.24**	**-**
Liabilities assumed through business combinations (refer note 39)	**-**	**1,279.95**	**-**	**(1,109.68)**	**-**	**170.27**
Current service cost	63.18	61.46	-	-	63.18	61.46
Plan participant contributions	-	41.55	-	(41.55)	-	-
Interest expense/(income)	25.90	19.17	(3.71)	(17.19)	22.19	1.98
Amount recognised in Statement of profit and loss	**89.08**	**122.19**	**(3.71)**	**(58.74)**	**85.38**	**63.44**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (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	
	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension
Remeasurements:						
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-
Actuarial (gain)/loss arising from:						
Demographic assumptions	(0.81)	(19.09)	-	-	(0.81)	(19.09)
Financial assumptions	(14.37)	28.52	1.85	(40.00)	(12.52)	(11.48)
Experience adjustment	(9.55)	(45.49)	-	-	(9.55)	(45.49)
Amount recognised in other comprehensive income	**(24.73)**	**(36.06)**	**1.85**	**(40.00)**	**(22.88)**	**(76.06)**
Employers contribution	-	-	(105.00)	(29.86)	(105.00)	(29.86)
Benefits paid	(41.36)	(138.36)	-	138.36	(41.36)	-
Foreign currency translation adjustments	-	240.97	-	(211.39)	-	29.57
Balance as on March 31, 2026	**412.14**	**1,468.69**	**(106.76)**	**(1,311.32)**	**305.38**	**157.37**

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity		
Non-current	230.84	317.60
Current	74.54	71.64
	305.38	**389.24**
Pension		
Non-current	157.37	-
Current	-	-
	157.37	**-**

(ii) The assumptions used for gratuity valuation are as below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest rate	7.78% - 7.81%	7.03%
Discount rate	7.78% - 7.81%	7.03%
Expected return on plan assets	7.80%	7.03%
Salary increase	8% to 10.0%	8% to 10.0%
Attrition rate	15% to 20%	15% to 20%
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 4-8 years (March 31, 2025: 4-10 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, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate	(17.22)	18.87	(16.52)	18.17
Salary increase	18.92	(17.90)	18.28	(17.26)
Attrition rate	(1.19)	1.22	(1.61)	1.68

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 Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

As of March 31, 2026 and March 31, 2025, the plan assets have been invested in Life Insurance Corporation

The expected contributions to the plan for the next annual period amounts to ₹ 299.00 million (March 31, 2025: ₹ 385.65 million).

Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1st Following year	74.90	72.07
2nd Following year	64.16	60.28
3rd Following year	62.89	56.24
4th Following year	58.20	52.55
5th Following year	52.15	46.61
Years 6 to 10	318.53	283.95

29. Research and development expenses

Details of Research and development expenses incurred during the year is given below

Particulars	March 31, 2026	March 31, 2025
Capital	199.27	96.24
Revenue (included in note 22)		
Cost of materials consumed	228.09	247.62
Employee benefit expenses	1,000.01	748.50
Other expenses		
Analytical fees	294.57	273.94
Rates and taxes	277.83	363.35
Consumption of stores & spares, chemicals and consumables	359.10	195.55
Consultancy charges	212.29	192.80
Other research and development expenses	480.91	355.00
Sub-total	**2,852.80**	**2,376.76**
Total	**3,052.07**	**2,473.00**

30. Remuneration to statutory auditors

Particulars	March 31, 2026	March 31, 2025
As auditor (excluding taxes)		
Statutory audit	14.40	11.61
Limited review	3.00	2.40
Certification	1.75	1.20
Reimbursement of expenses and taxes	0.43	0.53
Total	**19.58**	**15.74**

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
4 Matal PTE Ltd	Enterprises over which key management personnel or their relatives exercise significant influence

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Name of the related party		Relationship
Key managerial personnel		
Directors		
1	Dr. Krishna Prasad Chigurupati	Chairman & Managing Director
2	Dr. K.V.S Ram Rao (up to July 31, 2025)	Joint Managing Director and Chief Executive Officer
3	Mrs. Uma Devi Chigurupati	Executive Director
4	Mr. Harsha Chigurupati	Executive Director
5	Ms. Priyanka Chigurupati	Executive Director
Others		
6	Mr. Mukesh Surana	Chief Financial Officer
7	Mrs. Chaitanya Tummala	Company Secretary
8	Ms. Pragnya Chigurupati	Relative to Key mangerial personnel
Non-executive directors		
1	Mr. K. B. Sankar Rao	Non-Executive Director
2	Mr. Arun Sawhney	Independent Director
3	Mr. Saumen Chakraborty	Independent Director
4	Mrs. Sucharita Rao Palepu	Independent Director
5	Mr. Kapil Kumar Mehan	Independent Director
6	Dr. Sethurathnam Ravi	Independent Director
7	Mr. Rajiv Pritidas Kakodkar	Independent Director

31B. Transactions during the year

Particulars	March 31, 2026	March 31, 2025
a) Transactions with enterprises over which key management personnel-directors or their relatives exercise significant influence		
i) Granules Trust		
Contribution towards CSR	63.48	102.30
ii) Product Armor Packaging Private Limited		
Purchases of goods	471.90	414.99
iii) Chigurupati Family Trust		
Rent and maintenance	75.65	20.45
Rent deposit	-	30.67
Reimbursements to	7.89	-
iii) Matal PTE Ltd		
Sale of goods	0.69	-
b) Transactions with key managerial personnel - directors and their relative		
i) Dr. Krishna Prasad Chigurupati		
Managerial Remuneration	283.61	236.84
ii) Dr. K.V.S Ram Rao		
Managerial Remuneration	23.51	93.52
iii) Mrs. Uma Devi Chigurupati		
Managerial Remuneration	28.36	23.68
Moneys received against share warrants (refer note 9)	3,638.75	-
iv) Mr.Harsha Chigurupati		
Managerial Remuneration	28.36	23.68
Moneys received against share warrants (refer note 9)	5.00	-
v) Ms.Priyanka Chigurupati		
Managerial Remuneration	28.36	23.68
Settlement of employee stock options	-	57.04
Moneys received against share warrants (refer note 9)	5.00	-
vi) Non-Executive Directors		
Sitting fees	8.32	3.46
Commission	19.85	16.58
vii) Ms. Pragnya Chigurupati		
Moneys received against share warrants (refer note 9)	5.00	-
c) Transactions with key managerial personnel - others		
i) Salary	43.69	40.64

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

31C. Closing balances

Particulars	March 31, 2026	March 31, 2025
a) Enterprises over which key management personnel or their relatives exercise significant influence		
i) Product Armor Packaging Private Limited		
Trade payables	22.82	20.54
ii) Chigurupati Family Trust		
Rent deposit receivable	30.67	30.67
b) Transactions with key managerial personnel - directors and their relative		
i) Managerial commission payable	77.42	87.58

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.

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, 2026						
	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	-	-	219.34	219.34	-	-	-
Trade receivables	-	-	9,093.66	9,093.66	-	-	-
Cash and cash equivalents	-	-	8,802.38	8,802.38	-	-	-
Bank balances other than cash and cash equivalents	-	-	688.21	688.21	-	-	-
Other current financial assets	-	-	44.75	44.75	-	-	-

Particulars	As at March 31, 2026						
	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)
b) Financial assets measured at fair value through OCI							
Non-current investments	-	8.38	-	8.38	0.08	8.30	-
	-	**8.38**	**18,848.34**	**18,856.72**	**0.08**	**8.30**	**-**
ii) Financial liabilities							
a) Financial liabilities not measured at fair value							
Non-current borrowings	-	-	2,971.51	2,971.51	-	-	-
Non-current lease liabilities	-	-	1,609.50	1,609.50	-	-	-
Trade payables	-	-	6,728.04	6,728.04	-	-	-
Other current financial liabilities	629.95	-	2,028.65	2,658.60	-	-	-
Current lease liabilities	-	-	129.58	129.58	-	-	-
Current borrowings(including current maturities of non current borrowings)	-	-	10,409.82	10,409.82	-	-	-
	629.95	**-**	**23,877.10**	**24,507.05**	**-**	**-**	**-**

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 liabilities not 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 amortised cost							
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	-	-	-

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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)
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**	**-**	**-**	**-**

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 ₹ 9,357.75 millions and ₹ 9,436.68 millions as of March 31, 2026 and March 31, 2025 respectively, being the total of the carrying amount of balances with trade receivables and other financial assets excluding derivative assets.

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 agencies. 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, 2026

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Gross carrying amount of trade receivables	6,856.50	2,294.80	92.15	102.40	26.74	196.44	9,569.03

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Particulars	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
Expected Credit losses (Loss allowance provision)							(475.37)
Net carrying amount of trade receivables							9,093.66

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)	-	-	-	-	-	-	(363.07)
Net carrying amount of trade receivables	-	-	-	-	-	-	9,422.18

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, 2026:

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)	3,127.91	-	156.40	156.40	1,251.16	1,563.96	3,127.91
Current borrowings (excluding current maturities of non-current borrowings)	10,253.42	9,862.37	391.05	-	-	-	10,253.42
Lease liability	1,739.08	-	215.70	185.36	571.49	2,444.87	3,417.42
Trade payables	6,728.04	-	6,728.04	-	-	-	6,728.04
Other financial liabilities	2,658.60	-	2,658.60	-	-	-	2,658.60

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	5-6 years	Total
Non current borrowings and interest (including current maturities)	3,632.25	-	517.14	200.00	1,000.00	1,915.11	3,632.25
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	2,269.13	-	2,269.13	-	-	-	2,269.13

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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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 after tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	March 31, 2026	March 31, 2025
INR - Borrowings	+100	(27.78)	(21.28)
	-100	27.78	21.28
USD - Borrowings	+100	(54.63)	(102.13)
	-100	54.63	102.13
EURO - Borrowings	+100	-	(5.17)
	-100	-	5.17
CHF - Borrowings	+100	(19.13)	-
	-100	19.13	-

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, 2026		
	USD	EURO	Others
Assets			
Trade receivables	3,658.94	1,123.49	2.49
Other financial assets	3.67	0.65	0.09
Cash and cash equivalents	1,426.39	163.98	0.15
Total	**5,088.99**	**1,288.12**	**2.73**
Liabilities			
Trade payables	1,279.84	23.33	14.99
Other financial liabilities	399.47	179.65	-
Current borrowings (Current maturities of non-current borrowings)	7,247.87	-	-
Total	**8,927.18**	**202.98**	**14.99**

(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**
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**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026	+100	(28.72)	8.12
	-100	28.72	(8.12)
March 31, 2025	+100	(38.57)	(1.43)
	-100	38.57	1.43

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, 2026, 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 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

	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, 2026				
Foreign exchange forward contracts				
Notional amount (in ₹ millions)	9,398.92	-	-	9,398.92
Average forward rate (₹ / USD)	89.96	-	-	89.96
As at March 31, 2025				
Foreign exchange forward contracts				
Notional amount (in ₹ millions)	8,177.45	-	-	8,177.45
Average forward rate (₹ / USD)	85.96	-	-	85.96

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

	Maturity			
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Euro denominated debt (highly probable forecast sales)				
Notional amount (in ₹ millions)	427.40	-	-	427.40
Average forward rate (INR / Euro)	77.01	-	-	77.01

The impact of the hedging instruments on the balance sheet is, as follows:

	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, 2026				
Forward exchange contracts	9,398.92	629.95	Derivative instruments under current financial liabilities	566.88
As at March 31, 2025				
Forward exchange contracts	8,177.45	63.07	Derivative instruments under current financial assets	60.69
Euro denominated debt	517.14	517.14	Non-current borrowings and Short-term borrowings	(27.02)

The impact of the hedged item on the balance sheet is, as follows:

	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, 2026			
Highly probable forecast sales	(497.54)	(497.54)	-
As at March 31, 2025			
Highly probable forecast sales	33.67	33.67	-

The effect of the cash flow hedge in the statement of profit and loss is, as follows:

	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, 2026						
Highly probable forecast sales	(497.54)	-	-	-	115.21	Revenue from operations
For the year ended March 31, 2025						
Highly probable forecast sales	33.67	-	-	-	108.82	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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Disclosure of effects of hedge accounting in the Groups's balance sheet

The Group is holding the following foreign exchange forward contracts (refer note 13C)

Particulars	Nominal Amount	Carrying Amount		Maturity	Hedge Ratio*	Forward Rate (₹/USD)
		Assets	Liabilities			
As at March 31, 2026						
Foreign exchange forward contracts	-	-	-	-	-	-
As at March 31, 2025						
Foreign exchange forward contracts	987.19	-	19.33	Jul-26	1:1	87.76

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 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 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, 2026			March 31, 2025		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	51,441.04	2,215.38	53,656.42	42,107.80	2,708.28	44,816.08
Non-current assets (refer note - i)	12,357.41	25,831.49	38,188.90	6,894.39	23,348.75	30,243.14

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, 2026	March 31, 2025
Granules Pharmaceuticals Inc	USA	100%	100%
Granules USA Inc*	USA	-	100%
Granules Consumer Health, Inc.**	USA	100%	100%
Granules Europe Limited (Dissolved w.e.f March 18, 2025)	UK	-	-
Ascelis Peptides Private Limited (formerly known as "Granules Peptides Private Limited") (Incorporated on March 04, 2025)	India	100%	100%

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

Name	% of equity interest		
	Country of incorporation	March 31, 2026	March 31, 2025
Senn Chemicals AG (Aquired w.e.f April 10, 2025)***	Switzerland	100%	-
Granules Pharmaceuticals GmbH (Aquired w.e.f November 20, 2025)	Germany	100%	-
Granules Lifesciences Private Limited	India	100%	100%
Granules CZRO Private Limited	India	100%	100%

* Granules USA Inc., USA was merged with Granules Pharmaceuticals Inc., USA with effect from April 1, 2025.

** Subsidiary of Granules Pharmaceuticals Inc., (March 31, 2025 Subdiary of Granules USA Inc)

*** Subsidiary of Ascelis Peptides Private Limited.

36. Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income / (loss)		Share in total Comprehensive income / (loss)	
	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, 2026	86.51%	43,991.16	67.34%	4,006.67	-24.87%	(356.42)	49.44%	3,650.25
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
Subsidiaries								
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)
Granules Pharmaceuticals Inc., (Consolidated)								
Balance as at March 31, 2026	29.88%	15,191.98	56.28%	3,348.52	90.98%	1,303.93	63.01%	4,652.45
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
Granules Europe Limited								
Balance as at March 31, 2025	0.00%	-	0.25%	12.71	0.69%	1.88	0.28%	14.59
Granules Pharmaceuticals GmbH								
Balance as at March 31, 2026	0.01%	2.70	0.00%	-	-0.02%	(0.22)	0.00%	(0.22)
Granules Lifesciences Private Limited								
Balance as at March 31, 2026	18.49%	9,401.62	2.00%	118.71	0.07%	1.01	1.62%	119.72
Balance as at March 31, 2025	8.97%	3,331.90	1.10%	55.19	0.02%	0.06	1.05%	55.25
Granules CZRO Private Limited								
Balance as at March 31, 2026	3.66%	1,862.08	-2.41%	(143.36)	0.01%	0.11	-1.94%	(143.25)
Balance as at March 31, 2025	4.78%	1,775.33	-1.10%	(55.22)	-0.12%	(0.33)	-1.05%	(55.55)
Ascelis Peptides Private Limited (Consolidated)								
Balance as at March 31, 2026	6.13%	3,118.63	-8.90%	(529.33)	33.82%	484.73	-0.60%	(44.60)
Balance as at March 31, 2025	5.33%	1,979.78	0.11%	5.28	-	-	0.10%	5.28
On account of Eliminations								
Balance as at March 31, 2026	-44.68%	(22,718.22)	-14.30%	(851.00)	0.00%	-	-11.53%	(851.00)
Balance as at March 31, 2025	-39.04%	(14,500.91)	2.11%	105.69	0.00%	-	2.00%	105.69
Balance as at 31 March, 2026	**100.00%**	**50,849.95**	**100.00%**	**5,950.21**	**100.00%**	**1,433.14**	**100.00%**	**7,383.35**
Balance as at 31 March, 2025	**100.00%**	**37,155.78**	**100.00%**	**5,015.16**	**100.00%**	**270.23**	**100.00%**	**5,285.38**

* Granules USA Inc., USA was merged with Granules Pharmaceuticals Inc., USA with effect from April 1, 2025.

37. Other Statutory information

i) There are no proceedings initiated or pending against the Group as at March 31, 2026, 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

(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.

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

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, 2026	March 31, 2025
Borrowings including interest accrued on borrowings and lease liabilities	15,120.41	14,547.57
Less: Cash and cash equivalents and other bank balances	(9,490.59)	(5,963.75)
Net debt	**5,629.82**	**8,583.82**
Equity share capital	247.80	242.54
Other equity	50,602.15	36,913.24
Total equity	**50,849.95**	**37,155.78**
Capital gearing ratio	0.11	0.23

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. Business combinations -Acquisition of Senn Chemicals AG

The Group entered into a Share Purchase Agreement ("SPA") for the acquisition of Senn Chemicals AG on February 21, 2025. Accordingly, Senn Chemicals AG became a wholly owned step-down subsidiary of the Company with effect from April 10, 2025 (the Completion Date), upon satisfaction of customary closing conditions and receipt of necessary regulatory approvals and has been consolidated from that date.

The fair value of net assets acquired on the acquisition date amounted to ₹1,863.75 million (CHF 18.82 million). The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

Transaction costs incurred by the Group in connection with the business combination, such as legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred and have been included in exceptional item (refer note 23)

Summary of assets acquired and liabilities assumed:

Particulars	Amount (in CHF million)	Amount (in ₹ million)
Assets acquired:		
Property, plant and equipment	29.94	2,964.05
Capital work-in-progress	9.51	941.64
Intangible assets	0.01	1.14
Inventories	7.27	719.98
Trade receivables	2.04	201.71
Cash and cash equivalents	0.21	21.13
Other Assets	1.54	152.12
Liabilities assumed:		
Borrowings	15.17	1,502.38
Trade payables	4.73	468.47
Deferred tax liabilities, net	2.25	223.24
Other liabilities	9.53	943.93
Net Assets	**18.82**	**1,863.75**
Goodwill	1.18	116.55
Purchase consideration	**20.00**	**1,980.30**

Notes to Consolidated Financial Statements (Contd..)

for the year ended March 31, 2026 (All amounts are in Indian Rupees Millions except share data and unless otherwise stated)

40. Acquisition of Granules Pharmaceuticals GmbH

The Company has acquired a 100% equity stake in M/s Granules Pharmaceuticals GmbH (formerly known as "Optus 1039. GmbH"), Germany on November 20, 2025. Accordingly, Granules Pharmaceuticals GmbH became a subsidiary of the Company with effect from November 20, 2025 (the Completion Date), upon satisfaction of customary closing conditions and receipt of necessary regulatory approvals and has been consolidated from that date.

41. Labour code:

The Group has estimated and recognized the impact of implementation of the New Labour Codes under Employee benefits expense for the year ended March 31, 2026. The impact of the same is not material.

42.

The financial statements of each of the subsidiary are drawn up to the same reporting date i.e. year ended March 31, 2026, for the purpose of consolidation.

43. Subsequent event

No significant subsequent events have been observed till April 29, 2026 which may require any additional disclosure or an adjustment to the consolidated financial statements other than proposed dividend as disclosed in note 9.

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: April 29, 2026

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

Chaitanya Tummala
Company Secretary

Place: Hyderabad
Date: April 29, 2026

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 Pharmaceuticals Inc.,*	Granules Lifesciences Private Limited	Granules CZRO Private Limited	Granules Pharmaceuticals GmbH (formerly known as "Optus 1039. GmbH") (Acquired on November 20, 2025)	Ascelis Peptides Private Limited (formerly known as 'Granules Peptides Private Limited')*
1. Reporting period	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026
2. Reporting Currency	USD	₹	₹	EUR	₹
3. Exchange rate as on the last date of the financial year	94.36	1.00	1.00	108.10	1.00
4. Share capital	5,657.00	9,250.00	2,080.00	2.92	3,300.00
5. Other Equity	9,534.98	151.62	(217.92)	(0.22)	(181.37)
6. Total Assets	26,578.56	13,836.18	2,088.73	2.70	6,727.06
7. Total Liabilities	11,386.58	4,434.56	226.65	-	3,608.51
8. Investments	-	-	-	-	0.08
9. Turnover	36,590.01	2,119.23	0.22	-	1,592.68
10. Profit/(loss) before taxation	4,192.84	144.22	(143.36)	-	(654.96)
11. Provision for taxation	844.32	25.51	-	-	(125.63)
12. Profit/(loss) after taxation	3,348.52	118.71	(143.36)	-	(529.33)
13. Proposed Dividend	-	-	-	-	-
14. % of shareholding	100%	100%	100%	100%	100%
15. Country of Incorporation	USA	India	India	Germany	India

*Consolidated

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

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 35th Annual General Meeting (AGM) of the members of Granules India Limited (the Company) will be held on Thursday, August 06, 2026 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, 2026 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 on March 31, 2026 and the report of Auditors thereon and in this regard, pass the following resolutions as an **Ordinary Resolutions**:

   (a) "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31, 2026 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   (b) "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended on March 31, 2026 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare a final dividend of ₹ 1.75/- per equity share for the financial year ended on March 31, 2026 and, in this regard, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** a final dividend at the rate of ₹ 1.75/- per equity share of ₹1/- (One rupee) each fully paid-up of the Company be and is hereby declared for the financial year ended on March 31, 2026 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 on March 31, 2026."

3. To appoint Ms. Priyanka Chigurupati (DIN: 01793431), 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, Ms. Priyanka Chigurupati (DIN: 01793431), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors,
Chaitanya Tummala
Company Secretary

Date: April 29, 2026

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, 2023,09/2024 dated September 19, 2024 and the latest being 03/2025 dated September 22, 2025 ("MCA Circulars") has permitted holding of the General Meetings ("GM") 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 35th 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 2025-26 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 www.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, July 31, 2026 to Thursday, August 06, 2026 (both days inclusive) for the purpose of AGM.

   (b) The Board of Directors of the Company at their Meeting held on April 29, 2026 has recommended a final dividend of ₹ 1.75/- per share on equity share of ₹ 1/- each for the financial year 2025- 26. The final dividend, if declared, at the Annual General Meeting, will be paid on or before September 04, 2026 to the shareholders holding the equity shares of the Company as on the record date fixed for the payment of the dividend i.e., Thursday, July 30, 2026.

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 being 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 30, 2026.

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 the 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 to avoid freezing of the folios.

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 2018-19 and thereafter to IEPF:

Financial year	Type of dividend	Due date of transfer
2018-2019	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	11.09.2031
2024-2025	Final	12.09.2032

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 02, 2026 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 03, 2026, and ends at 5.00 p.m. (IST) on August 05, 2026.

    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 30, 2026.

    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.

Step3: 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:

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.
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.
Individual Shareholder login through their Demat accounts / Website of Depository Participant	**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. 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). 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:

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:

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 05, 2026 (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 03, 2026 (9.00 a.m. IST) up to August 05, 2026 (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 03, 2026 (9.00 a.m. IST) up to August 05, 2026 (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 30, 2026, 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 scrutinise 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.

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	Ms. Priyanka Chigurupati
Date of birth	January 13, 1989
Qualification	Bachelor of Science degree in Business Management from Case Western Reserve University (US).
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	Last Drawn: 0.5% of the net profits of the Company calculated on a standalone basis in accordance with the provision of Section 198 of the Companies Act, 2013. Sought to be paid: Same as above
Date of first appointment on the Board	January 23, 2024
Relationship with other Directors on the Board	Ms. Priyanka Chigurupati is the daughter of Dr. Krishna Prasad Chigurupati, Chairman & Managing Director & Ms. Uma Devi Chigurupati, Executive Director. She is the sister of Mr. Harsha Chigurupati, Executive Director.
Expertise in the specific functional area	She has more than 15 years of experience in various capacities across multiple divisions including Sales & Marketing, Portfolio, Strategy & Investor Relations.
Brief profile	Ms. Priyanka Chigurupati, Executive Director, Granules India Limited leads Global Sales, Strategy and Quality Compliance, among other roles within the Company. She has been with Granules for over 15 years and has contributed across multiple divisions, serving in various leadership capacities. She is currently also serving as a Director at Granules Pharmaceuticals Inc., where she held the position of Executive Director from 2017 to 2024. Priyanka holds a Bachelor of Science in Business Management from Case Western Reserve University in Cleveland, Ohio, and has completed an Executive Leadership Program at Harvard Business School, Boston, Massachusetts.
Directorship in other listed Companies in the last three years	NIL
Directorship in other Companies	1. Granules CZRO Private Limited 2. Chigurupati Technologies Private Limited 3. Granules Pharmaceuticals, Inc. 4. Smarter Spirits LLP
Chairperson/member of the Committees of the Board of Directors of the Company	Business Review Committee – Member
Chairperson/member of the Committees in other Companies, including listed entities in which she is a Director	Nil
Number of meetings of the Board attended during the financial year 2025-26	06 out of 07
Number of shares held in the Company as of the Date of Notice i.e., April 29, 2026	18,18,683

By Order of the Board of Directors
Chaitanya Tummala
Company Secretary

Hyderabad, April 29, 2026

Green House Gas (GHG) Emission Report FY 25-26

The Granules GHG Emissions Report presents a comprehensive assessment of greenhouse gas emissions associated with Granules India Limited (GIL) and its subsidiaries—Granules Pharmaceuticals Inc. (GPI), Granules Consumer health (GCH), Granules Life Sciences (GLS), Granules CZRO (GCZRO) and Senn Chemicals AG—encompassing emissions across 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).

Scope 3 emissions encompass indirect greenhouse gas emissions across our entire value chain, including those arising from supplier activities as well as the use and end-of-life treatment of our products. As these emissions typically constitute the largest share of our overall carbon footprint, we are committed to addressing them through enhanced collaboration with suppliers, operational optimization, and active engagement with stakeholders throughout the supply chain.

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

Note: Categories 11,13,14 and 15 are accounted as they are not relevant to Granules Business.

FY 24-25	Category	Unit	Granules (Standalone)	Subsidiaries					Granules Consolidated
			GIL	GLS	GCZRO	GCH	GPI	Senn Chemicals AG	
Scope-1	Direct emissions from fuel	tCO_2e	59,851	920	6	121	1,830	723	63,451
Scope-2 (location based)	Indirect emissions from electricity consumption	tCO_2e	64,967	12,898	291	441	2,448	119	81,164
Scope-2 (market based)	Indirect emissions from electricity consumption	tCO_2e	1,285	12,898	291	441	2,448	119	17,482
Scope-1+2(market based)		tCO_2e	61,136	13,818	297	562	4,278	842	80,933
Scope-3	Category 1 – Purchased goods & services	tCO_2e	4,29,284	4,278	8,483	1,578	2,758	12,868	4,59,249
Scope-3	Category 2 – Capital Goods	tCO_2e	4,018	12,841	954	1,875	2,812	336	22,836
Scope-3	Category 3 – Fuel & Energy related activities	tCO_2e	29,733	3,609	79	106	779	250	34,556
Scope-3	Category 4 – Upstream transportation & distribution	tCO_2e	6,844	246	3	21	1,022	38	8,174
Scope-3	Category 5 – Waste generated from operations	tCO_2e	849	2	1	85	10	423	1370
Scope-3	Category 6 – business travel	tCO_2e	664	39	5	34	50	30	823
Scope-3	Category 7 – employee commuting	tCO_2e	1,323	89	2	208	549	112	2,283
Scope-3	Category 8 – Upstream Leased assets	tCO_2e	253	-	-	34	1,017	-	1,304
Scope-3	Category 9 -Downstream transportation & distribution	tCO_2e	48,342	158	0	83	1,262	3	49,847
Scope-3	Category 10 – Processing of sold products	tCO_2e	36,547	-	-	-	-	-	36,547
Scope-3	Category 11 – Use of sold products	tCO_2e							
Scope-3	Category 12 – End of life treatment of sold products	tCO_2e	2,436	5	-	398	1,460	-	4,299
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	5,60,293	21,268	9,527	4,422	11,720	14,060	6,21,289
Scope-1 + 2 (market based) + Scope-3		tCO_2e	6,21,429	35,086	9,824	4,984	15,998	14,902	7,02,222

GHG Quantification Methodology

SCOPE 1 - QUANTIFICATION METHODOLOGY

Scope 1 emissions have been calculated by considering the following categories:

Stationary combustion

Emissions from stationary combustion have been calculated based on the consumption of fuels used in our on-site operations. The primary fuel types considered include furnace oil, coal, high-speed diesel (HSD), natural gas, and gasoline. The quantification of associated emissions has been performed using emission factors prescribed in IPCC and DEFRA.

Fugitive emissions from refrigerants

Activity data for refrigerant consumption has been estimated using a purchase-based approach. Fugitive greenhouse gas (GHG) emissions have been quantified by applying emission factors taken from the Intergovernmental Panel on Climate Change (IPCC) and the UK Department for Environment, Food and Rural Affairs (DEFRA).

Process Emissions

Wastewater generated across the Company's manufacturing units is discharged to third-party Common Effluent Treatment Plants (CETPs) for treatment and disposal. As these activities occur outside the Company's operational boundary, emissions associated with the transportation and off-site treatment of effluents are accounted for under Scope 3 – Category 5: Waste Generated in Operations. Accordingly, such emissions are excluded from Scope 1 process emissions.

Biogenic emissions

Biogenic emissions have been quantified for biomass-based fuels, specifically wood chips and bio-briquettes, utilized in our boiler operations. Activity data has been taken from actual fuel consumption records maintained during the reporting period.

Emissions of biogenic carbon dioxide (CO_2) have been calculated using emission factors sourced from the UK Department for Environment, Food and Rural Affairs (DEFRA). In accordance with established greenhouse gas accounting standards, biogenic CO_2 emissions are disclosed separately from fossil-derived CO_2 emissions to ensure transparency and comparability.

SCOPE 2 - QUANTIFICATION METHODOLOGY

Scope 2 emissions comprise indirect greenhouse gas (GHG) emissions associated with the consumption of purchased electricity. Activity data has been derived from grid electricity consumption during the reporting period.

A location-based approach has been adopted for the quantification of Scope 2 emissions, due to the unavailability of supplier-specific emission factors. The estimation of emissions has been carried out using the latest available grid emission factors published by the Central Electricity Authority (CEA), India.

SCOPE 3 QUANTIFICATION METHODOLOGY

The methodology adopted for the quantification of Scope 3 emissions is aligned with the Greenhouse Gas (GHG) Protocol and ISO 14064 (guidance on the quantification and reporting of greenhouse gas emissions).

Given the variability in data availability and the diverse nature of Scope 3 categories, a combination of calculation approaches has been applied across different categories. These include spend-based, activity-based, and hybrid methodologies, selected based on the most appropriate representation of underlying emissions and data reliability.

Scope 3 Category No	Scope 3 Category description	Methodology used
1	Purchased Goods & Services	Supplier – specific method (~85%) Hybrid method (~15%)
2	Capital Goods & Services	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	Distance-based method
8	Upstream Leased Assets	Lessor-specific method
9	Downstream Transportation & Distribution	Distance-based method
10	Processing 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 – Purchases Goods & Services

A significant proportion of emissions from purchased goods and services is attributable to the procurement of Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs), excipients, solvents, and packaging materials.

Key raw materials contributing to these emissions include, para-aminophenol (PAP), acetic anhydride, dicyandiamide (DCDA), ibuprofen, metformin hydrochloride etc. These inputs represent core components of the organization's manufacturing processes and, therefore, constitute a material share of value chain emissions.

Methodology Used: Supplier specific method & Hybrid method using primary and secondary data.

Category 2 – Capital Goods

Most of our capital goods emissions arise from the procurement of pharmaceutical manufacturing equipment supporting the production of Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs), and finished dosage forms.

Key equipment includes compression machines, tablet printing machines, coating granulators, air receiver tanks, reactors, centrifuges, and other auxiliary processing equipment.

Methodology Used: Hybrid method & Average-product method using primary and secondary data.

Source of emission factor – USEEIO v1.4.0

Category 3 – Fuel and energy-related activities

Electricity and fuels such as coal, high-speed diesel (HSD), and furnace oil are used in the manufacture of pharmaceutical products. As a result, most emissions from fuel- and energy-related activities arise from upstream processes, including the extraction, production, and transportation of fuels, as well as the generation and transmission of purchased electricity.

Methodology Used: Average-data method using primary data

Calculation formula: ∑ (Fuel consumed (eg – Liters, tonnes, kWh) x upstream fuel emission factor (kgCO2e / T))

Source of emission factor – DEFRA 2025, Ecoinvent

Category 4 – Upstream Transportation & Distribution

Majority of upstream transportation and distribution emissions arise from the inbound movement of materials, including APIs, raw materials (RM), key starting materials (KSMs), excipients, packing materials (PM), and MRO (Maintenance, Repair, and Operations) items used in manufacturing.

Most suppliers are in India and China, with materials primarily transported via sea and road, while air transport constitutes a relatively small share of inbound shipments.

Methodology Used: Distance-based method using primary data

Calculation formula: ∑ (mass of goods transported (Tonnes) x distance travelled (km) x emission factor for transport mode (kgCO2e / Ton km))

Source of emission factor: India Specific Transport Emission Factors, India GHG Program, 2015 & DEFRA 2025.

Category 5 – Waste generated in operations

Emissions from waste generated in operations arise from the transportation, treatment, and disposal of waste and wastewater generated during pharmaceutical manufacturing processes. The company generates two primary waste streams: liquid waste (effluent) and solid waste. Effluent is subjected to primary treatment at on-site facilities and subsequently discharged to Central Effluent Treatment Plants (CETPs). Solid waste is further categorized based on the respective disposal and treatment methods.

Reported emissions include those associated with the transportation of waste to third-party treatment facilities, as well as emissions from the treatment and disposal processes undertaken at such facilities.

Methodology Used: Waste-type-specific method using primary data

Calculation formula: ∑ (waste produced (Tonnes) x waste treatment specific emission factor (kgCO2e / Ton))

Source of emission factor: DEFRA 2025 and Ecoinvent

Category 6 – Business Travel

Emissions from business travel arise from employee travel and associated accommodation during official activities such as meetings, conferences, site visits, and training sessions. Business travel is primarily undertaken via air and road transport (cars), facilitated through company-authorized travel service providers. Additional modes of travel, including rail and bus, as well as hotel stays, are utilized as required and reimbursed in accordance with the company's travel policy.

Methodology Used: Distance-based method using primary data

Calculation formula: ∑ (distance travelled (vehicle-km / pax-km) x Emission factor (kgCO2e / vehicle-km or pax-km))

Source of emission factor India Specific Transport Emission Factors, India GHG Program, 2015 & DEFRA 2025.

Category 7 – Employee Commute

Emissions from employee commuting arise from daily travel between employees' residences and workplace locations. These emissions are generated through various modes of transport, including company-provided buses, employee-owned vehicles (such as two-wheelers and cars), and public transportation modes such as buses and metro.

Methodology Used: Distance-based method using primary data

Calculation formula: ∑ (daily one-way distance between residence and work (km) x 2 x Commuting days per year x emission factor (kgCO2e / km))

Source of emission factor India Specific Transport Emission Factors, India GHG Program, 2015.

Category 8 – Upstream Leased Assets

Emissions from upstream leased assets arise from the use of leased infrastructure and equipment, including warehouses and hostels. The company utilizes these leased assets to support its operational activities, and emissions associated with their usage have been estimated under this category.

Methodology Used: Lessor-specific method using primary data

Calculation formula: ∑ (Lessor's Scope 1 and Scope 2 emissions in proportion to the share of the asset utilized by the company, based on parameters such as area, volume, or quantity)

Source of emission factor DEFRA 2025, Ecoinvent.

Category 9 – Downstream Transportation & Distribution

Emissions from downstream transportation and distribution primarily arise from the shipment of finished dosage formulations, pharmaceutical formulation intermediates (PFIs), and active pharmaceutical ingredients (APIs) to customers. The company's customer base is largely concentrated in Europe, North and South America. International shipments are predominantly transported via sea and air, while domestic distribution mainly involves APIs, with a smaller share of PFIs, transported via road.

Methodology Used: Distance-based method using primary data

Calculation formula: ∑ (mass of goods transported (Tonnes) x distance travelled (km) x emission factor for transport mode (kgCO2e / Ton km))

Source of emission factor: India Specific Transport Emission Factors, India GHG Program, 2015, DEFRA 2025.

Category 10 – Processing of Sold Products

The company manufactures Active Pharmaceutical Ingredients (APIs) and Pharmaceutical Formulation Intermediates (PFIs), which are supplied to other pharmaceutical companies for further processing into finished dosage formulations (FD) intended for end-use consumption.

Methodology Used: Average-data method using secondary data

Calculation formula: ∑ (mass of sold intermediate products (kg) x emission factor of processing of sold products (kgCO2e / kg of final product))

Category 11 – Use of sold Products

This category is not relevant to Granules operations; all the final products are consumed by the end users.

Category 12 – End-of-Life Treatment of Sold Products

The company sells a portfolio comprising Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs), and finished dosage formulations (FD). Emissions have been considered for the treatment of waste arising from the downstream processing of APIs and PFIs into finished dosages by customers.

Additionally, emissions associated with the disposal of packaging waste generated after the consumption of finished dosage products sold by the company have been accounted for.

Methodology Used: Average-data method using secondary data

Calculation formula: ∑ (mass of sold products (kg) x emission factor for waste disposal and treatment of sold products (kgCO2e / kg of final product))

Category 13 – Downstream leased assets

This category is not relevant to Granules operations; all the final products are consumed by the end users.

Category 14 – Franchises

This category is not relevant to Granules operations; all the final products are consumed by the end users

Category 15 – Investments

This category is not relevant to Granules operations; all the final

UNCERTAINTY

The GHG emissions reported under Scope 1, Scope 2, and Scope 3 are subject to inherent uncertainties arising from the use of estimation techniques and limitations in data availability.

For Scope 1 and Scope 2 emissions, which cover direct emissions and energy-related activities within the organization's operational control, the level of uncertainty is relatively low, as these estimates are based on measured data and utility records. However, discrepancies may occur due to potential inaccuracies or gaps in fuel and electricity consumption data.

For Scope 3 emissions, the degree of uncertainty is comparatively higher due to the complexity of the value chain and the diversity of data sources involved. These emissions depend significantly on activities outside the organization's direct control, such as supplier operations, transportation, and end-of-life treatment processes. As a result, factors including variations in supplier reporting practices, limited access to primary data, data quality concerns, and the reliance on industry-average emission factors or estimation models contribute to this uncertainty.

Granules acknowledges these challenges and is committed to enhancing the quality, data collection and estimation processes over time. Efforts are ongoing to improve data collection processes, strengthen supplier engagement, adopt better calculation methodologies, and utilize more representative data sources and emission factors, thereby improving the accuracy of the Scope 3 inventory and supporting alignment with GHG Protocol requirements and sustainability objectives.

ESG Performance Table

All KPIs presented in the table below are on a standalone basis for Granules India Limited, unless otherwise specified.

1. Production & Revenues	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Production - Standalone	MT	56906	60626	50075	57704
Revenues - Consolidated	Million INR	45119	45064	44816	53656
Revenues - Standalone	Million INR	39312	37550	30302	34739

2. Energy	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Electricity consumption	MWh	77078	84066	82735	90299
Electricitiy from Renewable Sources (PPA +On-site + I-RECs)	MWh	7565	39885	56803	88489
% of Renewable Energy share of consumed Electricity	**%**	**9.8%**	**47.4%**	**68.7%**	**98.0%**
Fuels Consumption					
Coal Consumption	MT	22149	21732	21855	23539
HSD consumption	KL	742	508	469	453
Furnance Oil Consumption	MT	64.50	63.62	61.30	73.00
Petrol Consumption	KL	0.76	3.26	3.13	2.93
Biofuel Consumption	MT	0	0	643.7	3510.4
Energy by Source					
Energy From Electricity Consumption	TJ	277.5	302.6	297.9	325.1
Energy From Fuels Consumption	TJ	592.23	573.31	583.23	665.03
Total Enegy in TJ	TJ	869.7	875.9	881.1	990.1
% of Energy From Renewable Sources	%	3.1%	16.4%	24.2%	37%
Energy Intensity -TJ/Production	**TJ/MT**	**0.0153**	**0.0144**	**0.0176**	**0.0172**

3. GHG Emissions	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Scope-1	tCO2e	56,265	56,254	57,414	59,851
Scope-2 (Market-Based)	tCO2e	56,306	31,632	18,853	1,285
Scope-2 (Location -Based)	tCO2e	62,433	60,191	60,148	64,967
Scope-1 +2 (Market Based)	**tCO2e**	**1,12,571**	**87,886**	**76,267**	**61,136**
Scope-1 +2 (Location Based)	**tCO2e**	**1,18,698**	**1,16,445**	**1,17,562**	**1,24,818**
Scope-3 GHG Emissions					
Category 1 - Purchased Goods & Services	tCO2e	4,95,807	5,14,516	3,60,046	4,29,284
Category 2 - Capital Goods	tCO2e	4,705	10,265	17521	4,018
Category 3 - Fuel and Energy Related Activities	tCO2e	26,788	22,579	24196	29,733
Category 4 - Upstream Transportation & Distribution	tCO2e	8,392	8,557	8,488	6,844
Category 5 - Waste Generated from Operations	tCO2e	2,992	3,571	2074	849
Category 6 - Business Travel	tCO2e	295	850	377	664
Category 7 - Employee Commuting	tCO2e	1,476	1,571	1,064	1,323
Category 8 - Upstream Leased Assets	tCO2e	587	1,628	341	253
Category 9 - Downstream Transportation & Distribution	tCO2e	22,381	24,827	20648	48,342
Category 10 - Processing of Sold Products	tCO2e	46,658	41,187	29905	36,547
Category 11 - Use of Sold Products	tCO2e	-	-	-	-
Category 12 - End of Life Treatment of sold products	tCO2e	4,031	4,287	3,402	2,436
Category 13 - Downstream Leased Assets	tCO2e	-	-	-	-
Category 14 - Franchises	tCO2e	-	-	-	-
Category 15 - Investments	tCO2e	-	-	-	-
SCOPE-3 Emissions	**tCO2e**	**6,14,113**	**6,33,837**	**4,68,062**	**5,60,293**
Total GHG Emissions (Scope 1 +Scope 2 (Market Based) +Scope 3	**tCO2e**	**7,26,684**	**7,21,723**	**5,44,329**	**6,21,429**

3. GHG Emissions	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**tCO2e/ Tons of Production**	**1.98**	**1.45**	**1.52**	**1.06**
Scope 3 emission Intensity in terms of physical output	**tCO2e/ Tons of Production**	**10.79**	**10.45**	**9.35**	**9.71**

4. Air emissions	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
NO_x	MT	124.1	65.3	59.6	45.7
SO_x	MT	230.90	198.56	175	84.65
Particulate matter (PM)	MT	89.30	82.08	72.34	42.46
Persistent organic pollutants (POP)	MT	0	0	0	0
Volatile organic compounds (VOC)	MT	0	0	0	0
Hazardous air pollutants (HAP)	MT	0	0	0	0

5. Water & Waste Water	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Water withdrawal by source					
Surface water	KL	0	0	0	0
Ground Water	KL	0	0	0	0
Third Party Water	KL	341008	368002	3,56,980	3,93,791
Seawater/ Desalinated Water	KL	0	0	0	0
Rainwater Harvesting	KL	11,143	0	2169	1457
Grey Water	KL	0	0	0	3060
Total volume of water withdrawal	**KL**	**3,52,151**	**3,68,002**	**3,59,149**	**3,98,308**
Total volume of water consumption	**KL**	**1,93,125**	2,26,083	**2,16,823**	**2,39,951**
Water intensity in terms of physical output	**KL/ Tons of Production**	**6.19**	**6.07**	**7.17**	**6.90**
Waste Water Generated (LTDS+HTDS)	KL	1,59,026	141919	142326	158357
Waste Water Recycled	KL	81804	55083	62928	61972
Percentage generated Waste Water Recycled	%	51%	39%	44%	39%
Water discharge by destination and level of treatment (in kilolitres)					
To Surface water	KL	0	0	0	0
To Groundwater	KL	0	0	0	0
To Seawater	KL	0	0	0	0
Sent to third-parties	KL	68,821	79,216	78,968	94,970

6. Waste	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Haz.Waste disposed to Landfill	MT	406.32	398.37	584.26	934.12
Haz.Waste disposed to Incineration	MT	63.235	71.52	69.344	62.85
Haz.Waste disposed to Co-processing	MT	2664.07	3482.36	2540.54	4594.67
Total Hazardous Waste	**MT**	**3133.6**	**3952.2**	**3194.1**	**5591.6**
Plastic waste	MT	1081.7	1106.6	873.4	981.5
Non-Hazardous Waste (Other than Plastic Waste)	MT	1946.9	2170.3	2004.3	1945.1
Bio Medical Waste	MT	1.2	3.0	5.7	6.8
Battery Waste	MT			4.38	5.09
E-Waste	MT	1.55	1.26	3.76	4.52
Waste Oil	MT	3.50	2.57	0.25	2.84
Total Waste	**MT**	**6168.5**	**7236.0**	**6086.0**	**8537.5**
Waste Intensity	**MT/ Tons of Production**	**0.108**	**0.119**	**0.122**	**0.148**

7. Employees and workers	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
No.of Employees	**No's**	**3650**	**4057**	**4066**	**4306**
No. of Male	No's	3410	3741	3684	3842
No.of Female	No's	240	316	382	464
New Hires	No's	1588	1406	1327	1352
Attrition	No's	1387	1020	1204	1074

7. Employees and workers	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Work Men (Upto Sr.Executive)	No's	3058	3377	3362	3531
Executives (Above Sr.Executive)	No's	592	680	704	775
<30 Yrs	No's	1938	2178	2191	2240
30-50 Yrs	No's	1630	1792	1781	1975
>50 Yrs	No's	82	87	94	91
No.of Contract Work Employees	**No's**	**2223**	**2467**	**2100**	**2217**
No. of Male	No's	1806	2022	1699	1760
No.of Female	No's	417	445	401	457
Total Work Force	**No's**	**5873**	**6524**	**6166**	**6523**
% of Female Employees	%	6.6%	7.8%	9.4%	10.8%
% of Female Work Force (Overall)	**%**	**11.2%**	**11.7%**	**12.7%**	**14.1%**
% of Attrition	**%**	**38.0%**	**25.1%**	**29.6%**	**24.9%**
Return to work rate	**%**	**97%**	**100%**	**100%**	**100%**
Retention rate	**%**	**80%**	**100%**	**88%**	**88%**
Women representation on Board of Directors	**%**	**20%**	**25%**	**25%**	**27%**

8. No.of complaints made by employees and workers	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Working Conditions and Health & safety	No's	Not tracked	Not tracked	24780	27701
Sexual Harassment	No's	1	0	1	2
Discrimination at workplace	No's	0	0	0	0
Child Labor	No's	0	0	0	0
Forced Labor /Involuntary Labor	No's	0	0	0	0
Wages	No's	0	0	0	0
Complaints on POSH as a % of female employees/workers	%	0.42%	0.00%	0.26%	0.43%

9. Number of consumer complaints:	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Data privacy	No's	0	0	0	0
Advertising	No's	0	0	0	0
Cyber-security	No's	0	0	0	0
Delivery of essential services	No's	0	0	0	0
Restrictive Trade Practices	No's	0	0	0	0
Unfair Trade Practices	No's	0	0	0	0
Instances of corruption and bribery	No's	0	0	0	0

10. No .of Complaints/grievances	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Communities	No's	0	0	0	0
Investors (other than shareholders)	No's	0	0	0	0
Shareholders	No's	0	0	2	3
Employees and workers	No's	0	0	0	0
Customers	No's	414	486	580	630
Value Chain Partners	No's	0	0	0	0

11. Product Quality & Safety	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Instances of product recalls on accounts of safety issues	No's	0	0	2	2

12. Fines/ Penalties/ Punishment/ Compounding fees/ Settlement	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Penalty/ Fine (Monetary)	INR	0	0	0	0
Settlement (Monetary)	INR	0	0	0	0
Compounding fee (Monetary)	INR	0	0	0	0
Imprisonment (Non-Monetary)	No's	Nil	Nil	Nil	Nil
Punishment (Non-Monetary	No's	Nil	Nil	Nil	Nil

13. % Of employees covered by	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Health insurance	%	100	100	100	100
Accident insurance	%	100	100	100	100
Maternity benefits	%	100	100	100	100
Paternity benefits	%	100	100	100	100
Daycare facilities	%	100	92.3	94.8	94.6

14. Median remuneration / wages:	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Median remuneration/ salary/wages - Male	INR Lakh/Annum	4.5	4.77	5.19	5.59
Median remuneration/ salary/ wages - Female	INR Lakh/Annum	3.74	3.74	3.72	3.83
Gross wages paid to females as % of total wages paid by the entity, in the following format:	%	7.17	6.69	6.30	6.25
Minimum wages paid to employees and workers					
Employees					
Equal to minimum wage	%	0%	0%	0%	0%
More than minimum wage	%	100%	100%	100%	100%
Workers					
Equal to minimum wage	%	95%	99%	98%	98%
More than minimum wage	%	5%	1%	2%	2%

15. Complaints with regard to conflict of interest	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No's	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	No's	0	0	0	0

16. % Of employees covered by retirement benefits	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
PF	%	100%	100%	100%	100%
Gratuity	%	100%	100%	100%	100%
ESI - No. of employees covered (as a % of total employees)	%	23%	20%	19%	12%
ESI - No. of workers covered (as a % of total workers	%	99%	99%	99%	99%

17. Trainings & Performance and Career Development Review	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Performance and career development reviews	%	80%	84%	83%	84%
Provided training on human rights issues and policy	%	100%	100%	100%	100%
Training Hours -GMP	Man-Hours	2,89,391	2,86,783	4,01,110	2,03,765
Trainnig Hours -EHS Trainings	Man-Hours	13,695	13,463	26,269	28,189
Other Trainings (External Technical & Behavioural)	Man-Hours	3,425	9,761	35,478	29,812

18. Safety Performance	Unit	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Reportable Incidents -Employees	No's	1	0	1	0
Reportable Incidents -Workers	No's	0	2	1	0
Lost Time Injury Frequency Rate for Employees (LTIFR) (per one million-person hours worked)	LTI-FR	0.12	0	0.11	0
Lost Time Injury Frequency Rate for Workers (LTIFR) (per one million-person hours worked)	LTI-FR	0	0.30	0.14	0
Total recordable work-related injuries -Employees	No's	7	23	6	6
Total recordable work-related injuries -Workers	No's	11	15	20	3
High consequence work-related injury or ill-health -Employees (excluding fatalities)	No's	1	0	0	0
High consequence work-related injury or ill-health -Workers (excluding fatalities)	No's	0	0	0	0
No. of fatalities -Employees	No's	0	0	0	0
No. of fatalities -Workers	No's	0	2	0	0
Man Hours Worked - Employees	Man-Hours	80,81,100	89,82,198	9002124	9533484
Man Hours Worked - Workers	Man-Hours	73,02,555	66,42,270	6898500	7282845
Man days Lost for Employees	Man-Days	5,400	-	30	0
Man days Lost for Workers	Man-Days	-	12,000	30	0
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	0
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	0

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.

	Principle	Statement	Page Number
Human rights	**Principle 1**	Businesses should support and respect the protection of internationally-proclaimed Human Rights	101; 213-217
	Principle 2	Businesses should make sure that they are not complicit in Human Rights abuses	101; 213-217
Labour rights	**Principle 3**	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	101; 202-209, 213-215
	Principle 4	Eliminate all forms of forced and compulsory labor	101; 216-217
	Principle 5	The effective abolition of child labor	101; 216-217
	Principle 6	The elimination of discrimination in respect of employment and occupation	84-87, 94-95, 101; 213-215
Environment	**Principle 7**	Businesses should support a precautionary approach to environmental challenges	36-43; 134-165; 217-224
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	134-165; 217-224
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	140-141, 148-151; 219-220, 224
Anti-corruption	**Principle 10**	Businesses should work against corruption in all its forms, including extortion and bribery	46-47; 196-199; 262


UNGC ID: 160,512

Network India

Certificate of Participation

THIS IS TO CERTIFY THAT

GRANULES INDIA LIMITED

IS AN ANNUAL BUSINESS PARTICIPANT OF

UN GLOBAL COMPACT NETWORK (INDIA)

FOR THE PERIOD OF APRIL 2026 TO MARCH 2027

Ratnesh
Executive Director
UN Global Compact Network India

GRI Index

Statement of use	Granules India has reported the information cited in this GRI content index for the period 1st April 2025-31st March 2026 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	About Us, BRSR Section A – Details of the Listed Entity	4-7, 181
	2-2 Entities included in the organization's sustainability reporting	BRSR Section A – Holding, Subsidiary and Associate Companies, About the Report	184, 2
	2-3 Reporting period, frequency and contact point	BRSR Section A – Details of Listed Entity (contact details), About the Report	181, 2
	2-4 Restatements of information	No restatements of information were made during the reporting period	Not Applicable
	2-5 External assurance	About the report, BRSR – Statement on independent assurance; Independent Assurance Report for BRSR and GRI	2, 173, 437-450
	2-6 Activities, value chain and other business relationships	Business Overview; BRSR Section A – Plants/Manufacturing Locations	20-21; 182
	2-7 Employees	Human Capital – Workforce Profile / Workforce at a Glance; BRSR Section A – Employees table; ESG Performance Table	86-87; 183; 426-427
	2-8 Workers who are not employees	Human Capital – Workforce at a Glance (Contract/Non-employee Workforce); BRSR Section A – Employees table	86-87; 183
	2-9 Governance structure and composition	Governance – Governance Structure, Corporate Governance Report – Composition of the Board	44-49, 263
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report – Nomination and Remuneration Committee	263
	2-11 Chair of the highest governance body	Governance – Dr. Krishna Prasad Chigurupati, Chairman & Managing Director, Corporate Governance Report	50-51, 263
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance – Governance Structure (Sustainability & CSR Committee), Corporate Governance Report	48-49, 262
	2-13 Delegation of responsibility for managing impacts	Governance – Governance Structure; BRSR Section B – Management and Process Disclosures	48-49; 190-195
	2-14 Role of the highest governance body in sustainability reporting	Governance – Sustainability and CSR Committee (Board-level oversight of sustainability reporting)	48-49
	2-15 Conflicts of interest	BRSR Principle 1 – Essential Indicators (Conflict of Interest); ESG Performance Table	198-199, 428
	2-16 Communication of critical concerns	Risk Management; Corporate Governance Report – Vigil Mechanism & Whistle Blower Policy	36-43, 262
	2-17 Collective knowledge of the highest governance body	Governance – Board of Directors profiles; Corporate Governance Report – Skills/ Expertise/Competencies of the Board	50-59, 267
	2-18 Evaluation of the performance of the highest governance body	Board's Report – Board Evaluation	246
	2-19 Remuneration policies	Corporate Governance Report – Remuneration of Directors	268-269
	2-20 Process to determine remuneration	Corporate Governance Report – Nomination and Remuneration Committee	268-269

GRI Standard / Other Source	Disclosure	Section/Sub section	Page No
	2-21 Annual total compensation ratio	Board's Report – Particulars of Employees (Annexure)	261
	2-22 Statement on sustainable development strategy	Management's Message – Chairman & Managing Director	8-9
	2-23 Policy commitments	Governance – Policies and Procedures; BRSR Section B	46-47; 190-195
	2-24 Embedding policy commitments	BRSR Section B – Management and Process Disclosures	190-195
	2-25 Processes to remediate negative impacts	Risk Management; BRSR Section A – Material Issues (Risk/Opportunity Matrix)	36-43; 185-189
	2-26 Mechanisms for seeking advice and raising concerns	BRSR Section A – Grievance Redressal Mechanisms	184-185
	2-27 Compliance with laws and regulations	Governance; BRSR Principle 1 & Principle 5; Board's Report – Statutory Compliance	44-49; 196-199, 213-217; 252-253
	2-28 Membership associations	BRSR Principle 7 – Trade and Industry Chambers/Associations	225
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	32-35
	2-30 Collective bargaining agreements	BRSR Principle 3 – Well-being of Employees (Section C)	202-209 (no formal collective bargaining agreements in place)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	30-31
	3-2 List of material topics	Materiality Assessment; BRSR Section A – Material Issues	30-31, 186-189
	3-3 Management of material topics	Materiality Assessment; BRSR Section A – Material Issues (Approach to Risk/Opportunity)	30-31, 186-189
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Natural Capital-Biodiversity, BRSR Principle 6 – Leadership Indicators (Ecologically Sensitive Areas: 'does not operate in ecologically sensitive areas')	165 ; 221, 223
	101-2 Management of biodiversity impacts	Natural Capital-Biodiversity, BRSR Principle 6 – Leadership Indicators (Ecologically Sensitive Areas: 'does not operate in ecologically sensitive areas')	165 ; 221, 223
	101-3 Access and benefit-sharing	Natural Capital-Biodiversity, BRSR Principle 6 – Leadership Indicators (Ecologically Sensitive Areas: 'does not operate in ecologically sensitive areas')	165 ; 221, 223
	101-4 Identification of biodiversity impacts	Natural Capital-Biodiversity, BRSR Principle 6 – Leadership Indicators (Ecologically Sensitive Areas: 'does not operate in ecologically sensitive areas')	165 ; 221, 223
	101-5 Locations with biodiversity impacts	Natural Capital-Biodiversity, BRSR Principle 6 – Leadership Indicators (Ecologically Sensitive Areas: 'does not operate in ecologically sensitive areas')	165 ; 221, 223
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Natural Capital (Environment), BRSR Principle-6	138-146, 219-224
	102-2 Climate change adaptation plan	Natural Capital (Environment), BRSR Principle-6	138-146, 219-224
	102-4 GHG emissions reduction targets and progress	Natural Capital (Environment), BRSR Principle-6	138-146, 219-224
	102-5 Scope 1 GHG emissions	Natural Capital (GHG emissions by scope and Category, Environmental Performance); BRSR Principle 6 – Essential Indicators (Scope 1 GHG Emissions); ESG Performance Table	142; 170; 219; 425
	102-6 Scope 2 GHG emissions	Natural Capital (GHG emissions by scope and Category, Environmental Performance); BRSR Principle 6 – Essential Indicators (Scope 2 GHG Emissions); ESG Performance Table	142; 170; 219; 425
	102-7 Scope 3 GHG emissions	BRSR Principle 6 – Essential Indicators (Scope 3 GHG Emissions); Natural Capital (GHG emissions by scope and Category, Environmental Performance table); ESG Performance Table; GHG Report (Annexure)	223; 142; 144;170; 425; 421-424
	102-8 GHG emissions intensity	Natural Capital – GHG Emissions by Scope and Category; BRSR Principle 6; ESG Performance Table	142-143; 219, 223; 425
	102-9 GHG removals in the value chain	Natural Capital – GHG Emissions BRSR Principle 6; Board's Report (Conservation of Energy)	138-145; 219-220, 224; 258
	102-10 Carbon credits	Natural Capital (GHG Emission), BRSR Principle-6	140-141, 145, 219-220, 223-224
GRI 103: Energy 2025	103-1 Energy policies and commitments	Natural Capital – Energy Transition/ Renewable Energy; BRSR Principle 6 – Essential Indicators	148-151; 217
	103-2 Energy consumption and self-generation within the organization	Natural Capital – Energy Transition/ Renewable Energy; BRSR Principle 6 – Essential Indicators; ESG Performance Table	148-151; 217; 425
	103-4 Energy intensity	Natural Capital – Energy Transition/ Renewable Energy; BRSR Principle 6 – Essential Indicators; ESG Performance Table	148-151; 217; 425
	103-5 Reduction in energy consumption	Natural Capital – Energy Transition/ Renewable Energy; BRSR Principle 6 – Essential Indicators, Board's Report (Conservation of Energy)	148-151; 219-220; 223-224; 258
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital (Business Model Snapshot), Board's Report – Financial Results, MD&A	28-29, 242, 232-241
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital – TCFD Core Pillars and Our Progress (Climate Risk & Opportunity), BRSR Section A – Material Issues	146-147, 186-189
	201-3 Defined benefit plan obligations and other retirement plans	Human Capital – Employee Benefits and Support, ESG Performance Table, BRSR Principle 3	96-97, 428, 203, 209
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	BRSR Principle 8	227
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital – Together for Stronger Communities; Board's Report – CSR; Annexure – Annual Report on CSR Activities	112-133; 245; 250-251
	203-2 Significant indirect economic impacts	Social and Relationship Capital – Together for Stronger Communities (Impact Created/ Beneficiaries Reached), Board's Report Annexure	112-133, 250-251
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Principle 8	227
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR Principle 1 – Essential Indicators (Anti-corruption)	198
	205-2 Communication and training about anti-corruption policies and procedures	BRSR Principle 1 – Essential Indicators (Training & Awareness, incl. Anti-corruption)	196-198

GRI Standard / Other Source	Disclosure	Section/Sub section	Page No
	205-3 Confirmed incidents of corruption and actions taken	BRSR Principle 1 – Essential Indicators (Corruption/Bribery); ESG Performance Table	198, 427
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR Principle 7 – Essential Indicators (Anti-competitive conduct)	225
GRI 207: Tax 2019	207-1 Approach to tax	Board's Report – Financial Results, Notes to Financial Statements (Income Tax)	242, 288, 326
	207-2 Tax governance, control, and risk management	Notes to Financial Statements (Income Tax / Effective Tax Rate)	326
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	BRSR Principle 6 – Essential Indicators (Water); ESG Performance Table	218, 222; 426
	303-2 Management of water discharge-related impacts	Natural Capital, – Essential Indicators (Water Discharge & Treatment; ZLD/ETP systems)	152-159, 218,222
	303-3 Water withdrawal	Natural capital, – Water and Wastewater Performance (Withdrawal by Source); BRSR Principle 6; ESG Performance Table	152-159; 218, 222; 426
	303-4 Water discharge	Natural Capital – Water and Wastewater Performance (Discharge by Destination); BRSR Principle 6; ESG Performance Table	154-155; 222; 426
	303-5 Water consumption	Natural Capital – Water and Wastewater Performance (Consumption); BRSR Principle 6; ESG Performance Table	154-155; 218, 222; 426
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital – Waste Management/Waste Stream Flowchart; BRSR Principle 6	160-165; 220-221
	306-2 Management of significant waste-related impacts	Natural Capital – Waste Management Practices/Driving Resource Recovery; BRSR Principle 6	160-165; 221
	306-3 Waste generated	Natural Capital – Driving Resource Recovery (Waste Generated); BRSR Principle 6 – Essential Indicators	164-165; 220
	306-4 Waste diverted from disposal	Natural Capital – Waste Stream Flowchart/ Resource Recovery (Recycling & Co-processing); BRSR Principle 6	162-165; 221
	306-5 Waste directed to disposal	Natural Capital – Waste Stream Flowchart (Disposal via Authorised Vendors); BRSR Principle 6	162-165; 221
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social and Relationship Capital – Supplier Engagement/ESG Expectations from Suppliers/Supplier Sustainability Programme	104-111
	308-2 Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital – Supplier Performance Improvement/Supplier Sustainability in Action	104-111
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital – Workforce Profile/Talent Management; ESG Performance Table	87, 426
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital – Employee Benefits and Support; BRSR Principle 3 – Essential Indicators; ESG Performance Table	96-97; 203-204; 428
	401-3 Parental leave	BRSR Principle 3 – Essential Indicators (Parental Leave)	204
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital – Safety Performance (FY26); BRSR Principle 3	96-101, 205-207
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital – Safety Performance (FY26); BRSR Principle 3	98-99, 205-207
	403-3 Occupational health services	Human Capital – Safety Performance/ Employee Benefits and Support; BRSR Principle 3	96-99, 205-207
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital – Safety Performance (FY26); BRSR Principle 3	98-99, 205-207
	403-5 Worker training on occupational health and safety	Human Capital – Learning and Development; BRSR Principle 3; ESG Performance Table	88-95; 205, 207; 428
	403-6 Promotion of worker health	Human Capital – Financial and Professional Well-being; BRSR Principle 3	96-97; 205-207
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital – Safety Performance (FY26); BRSR Principle 3	98-99; 205-207
	403-8 Workers covered by an occupational health and safety management system	Human Capital – Safety Performance (FY26); BRSR Principle 3	98-99; 205-207
	403-9 Work-related injuries	Human Capital – Safety Performance (FY26); BRSR Principle 3; ESG Performance Table	98-99; 207; 429
	403-10 Work-related ill health	Human Capital – Safety Performance (FY26); BRSR Principle 3; ESG Performance Table	98-99; 207; 429
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital – Learning and Development (Learning Architecture); ESG Performance Table	88-91; 428
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital – Learning and Development (Learning Architecture); BRSR Principle 3	88-93; 205
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital – Performance Management; BRSR Principle 3; ESG Performance Table	94-95; 205; 428
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital – Workforce Profile (Diversity Goals); Governance – Board of Directors (Composition); BRSR Section A	86-87; 50-59; 183
	405-2 Ratio of basic salary and remuneration of women to men	BRSR Principle 5 – Essential Indicators (Median remuneration by gender); ESG Performance Table	214; 428
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital – Upholding Human Rights and Ethical Integrity; BRSR Principle 5 – Essential Indicators	101; 213-215
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	Human Capital – Upholding Human Rights and Ethical Integrity; BRSR Principle 5 – Essential Indicators (Freedom of association)	101; 213-215 (no operations/ suppliers identified at significant risk)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital – Upholding Human Rights and Ethical Integrity; BRSR Principle 5 – Essential Indicators (Child Labor – Value Chain Assessment)	101; 216-217
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital – Upholding Human Rights and Ethical Integrity; BRSR Principle 5 – Essential Indicators (Forced/Involuntary Labor – Value Chain Assessment)	101; 216-217
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Capital – Learning and Development (Governance and Compliance training incl. security personnel); BRSR Principle 5	90-91; 205; 213-217
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital – Together for Stronger Communities (CSR Programmes); BRSR Principle 8 – Essential Indicators	112-133; 226-227
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital – Together for Stronger Communities (Community Needs Assessment); BRSR Principle 8	112-133; 226-227

GRI Standard / Other Source	Disclosure	Section/Sub section	Page No
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital – ESG Expectations from Suppliers/Supplier Sustainability Programme	104-111
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital – Supplier Performance Improvement/Supplier Sustainability in Action	104-111
GRI 415: Public Policy 2016	415-1 Political contributions	Board's Report / Notes to Financial Statements (Corporate Social Responsibility – no political contributions made)	245
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	BRSR Principle 9 – Essential Indicators (Product Health & Safety)	229
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	BRSR Principle 9 – Essential Indicators (Product Recalls); ESG Performance Table	229; 427
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	BRSR Principle 9 – Essential Indicators (Product/Service Labeling)	229
	417-2 Incidents of non-compliance concerning product and service information and labeling	BRSR Principle 9 – Essential Indicators (Non-compliance – Labeling)	229-230
	417-3 Incidents of non-compliance concerning marketing communications	BRSR Principle 9 – Essential Indicators (Non-compliance – Marketing/Advertising); ESG Performance Table	229-230; 427
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Principle 9 – Essential Indicators (Data Privacy/Cyber Security Complaints); ESG Performance Table	230; 427

Independent Assurance Statement for BRSR and GRI Frameworks

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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, 2026.

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 2025 to 31st March 2026**.

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 1 & 3, 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: 2025-26.

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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 2025-26). Our sole responsibility is to provide Independent Assurance on the Sustainability report for the financial year ended 31st March 2026.

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 2025-26) provide 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 2025-26 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.

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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 of economic and financial performance data or information on the Company is based only on the annual audited statement of accounts of the Company for the Financial Year 2025-26 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 198 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.

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Restriction on use of Our Report

Our Assurance report for Business Responsibility and Sustainability Report (Core and Non-core Parameters for FY 2025-26) 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.

Ahamed Mohiuddin SYED
Lead Assuror
Hyderabad
Bureau Veritas (India) Private Limited
Dt: 29.06.2026

Munji Rama Mohan RAO
Technical Reviewer
Hyderabad
Bureau Veritas (India) Private Limited
Dt: 03.07.2026

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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 2025-26
1	Greenhouse Gas (GHG) Footprint	Scope 1 Emissions	59,851 tCO_2e
		Scope 2 Emissions	1,285 tCO_2e
		GHG Emission Intensity	1.06 tCO_2e /Ton of Production
2	Water Footprint	Total Water Consumption	2,39,951 kL
		Water Intensity	4.16 kL/Ton of Production
		Water Discharge	94,970 kL
3	Energy Footprint	Total Energy Consumed	990.10 TJ
		% from Renewable Sources	36.99 %
		Energy Intensity	0.0172 TJ/Ton of Production
4	Waste Management (Circularity)	Category-wise Waste Generation	Plastic waste: 981.53 MT E-Waste: 4.52 MT Bio-Medical Waste: 6.81 MT Battery Waste: 5.09 MT Other Hazardous waste: 5594.5 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: 1945.06 MT Total: 8537.5 MT
		Waste Intensity & Recovery	0.148 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	0.36%
		Safety Incidents	Lost Time Injury Frequency Rate (LTIFR) Employees: 0.00 Workers: 0.00 Total recordable work-related injuries Employees: 6 Workers:3
6	Gender Diversity	Wages Paid to Females	6.25 %
		POSH Complaints	2 (0.43%)
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: 11.3% Directly from within India: 65.8%
		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 10.11% Semi-urban 76.08% Urban 7.95% Metropolitan 5.86%
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	133 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%**

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			Concentration of Sales Sales to dealers/distributors as % of total sales **0.96%** Number of dealers /distributors to whom sales are made **3** 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) **6.05%** Sales (Sales to related parties / Total Sales) **54.10%** Loans & advances (Loans & advances given to related parties / Total loans & advances) **0** Investments (Investments in related parties / Total Investments made) **99.9%**

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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 2026** (**i.e., Granules India Limited - Sustainability Report (FY 2025-26)** 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 2025-26), 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 2025 to 31st March 2026**. 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, 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
FINISHED DOSAGE UNIT	160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District – 500 043, Telangana, 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, 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, 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, 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, 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 1 and 3, 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 2025-26.

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 2026.

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 2025-26, 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 31-03-2026, 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 198 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.

Ahamed Mohiuddin SYED
Lead Assuror
Bureau Veritas (India) Private Limited
Dt: 11.07.2026

Munji Rama Mohan RAO
Technical Reviewer
Bureau Veritas (India) Private Limited
Dt: 11.07.2026

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
Biodiversity	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss
	101-2 Management of biodiversity impacts
	101-3 Access and benefit-sharing
	101-4 Identification of biodiversity impacts
	101-5 Locations with biodiversity impacts
Climate Change	
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation
	102-2 Climate change adaptation plan
	102-4 GHG emissions reduction targets and progress
	102-5 Scope 1 GHG emissions
	102-6 Scope 2 GHG emissions
	102-7 Scope 3 GHG emissions
	102-8 GHG emissions intensity
	102-9 GHG removals in the value chain
	102-10 Carbon credits
Energy	
GRI 103: Energy 2025	103-1 Energy policies and commitments
	103-2 Energy consumption and self-generation within the organization
	103-4 Energy intensity
	103-5 Reduction in energy consumption
Procurement Practices	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers
Anti Corruption	
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption
	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed incidents of corruption and actions taken
Anticompetitive Behaviour	
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly Practices
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

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	303-5 Water consumption
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
Supplier Environmental Assessment	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria
	308-2 Negative environmental impacts in the supply chain and actions taken
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
	405-2 Ratio of basic salary and remuneration of women to men
Non-discrimination	
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken
Freedom of Association and Collective Bargaining	
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
Child Labor	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor
Forced or Compulsory Labor	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
Security Practices	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures
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
Supplier Social Assessment	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria
	414-2 Negative social impacts in the supply chain and actions taken
Public Policy	
GRI 415: Public Policy 2016	415-1 Political contributions
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
Marketing and Labeling	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling
	417-2 Incidents of non-compliance concerning product and service information and labelling
	417-3 Incidents of non-compliance concerning marketing communications
Customer Privacy	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

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Notes

Notes

Corporate Information

BOARD OF DIRECTORS

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director

Ms. Priyanka Chigurupati
Executive Director

Mr. Harsha Chigurupati
Executive Director

Ms. Uma Devi Chigurupati
Executive Director

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

Mr. Arun Sawhney
Independent Director

Ms. Sucharita Rao Palepu
Independent Director

Dr. Saumen Chakraborty
Independent Director

Mr. Kapil Kumar Mehan
Independent Director

Dr. Sethurathnam Ravi
Independent Director

Mr. Rajiv Pritidas Kakodkar
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mukesh Surana

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. 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,
5th Floor, Maas Heights, Road No.8, Banjara Hills,
Hyderabad-500 034

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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