

Business Responsibility and Sustainability Report



Granules BRSR - Executive Summary

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

Our Business Responsibility & Sustainability Report demonstrates our commitment to the nine principles of the National Guidelines on Responsible Business Conduct (“NGRBC”) as well

as our progress against the stated objectives across environmental, social and governance (“ESG”) parameters.

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

- ▶ Section A provides a broad overview of the business, its offerings, business and operations footprint, employees, related parties, Corporate Social Responsibility (CSR) and transparency

- ▶ Section B covers management and process disclosures related to the businesses aimed at demonstrating the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

- ▶ Section C provides essential and leadership indicator-wise disclosures mapped to the nine principles of NGRBC

For FY 23-24 The British Standards Institution (BSI) – an independent third party has verified and assured the data disclosed in this Report.



Key Highlights FY 23-24

Principle 1



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

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

Principle 2



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

- Conducted product carbon footprint assessment for the products that constitute 80% of our spending by engaging with our value chain partners
- 100% of Key Starting Materials (KSMs) are sourced from Good Manufacturing Practices (GMP) compliant vendors

- Our R&D expenditure to reduce the environmental impacts of the products increased by 45% in the reporting year

- Registered with the Central Pollution Control Board (CPCB) under EPR guidelines

Principle 3



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

- 100% of our employees and workers were given training on safety work practices
- 100% Return -to- Work rate
- External Assessments on Fire and Electrical safety for all units done by third party
- 51 hazard identification and risk assessment studies conducted across operations in partnership with International Safety Systems
- Qualitative Risk Assessment on Industrial Hygiene done at Gagillapur
- All Manufacturing facilities certified for ISO 45001 (Health and Safety Management System)

Principle 4



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

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

- We engaged and supported the suppliers to enable the determination of the carbon footprint of products

- Several internal stakeholder engagements were undertaken to develop a sustainability strategy and internal KRAs on sustainability

- Customer engagement through channels like Pharmaceutical Supply Chain Initiative (PSCI) audit

Principle 5



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

- Committed to the principles of the United Nations Global Compact (UNGC) Is to align our business operations and strategies with these universally recognized principles, which encompass human rights, labor, environment, and anti-corruption
- 100% of employees trained on the Code of Conduct, which includes human rights issues.
- 100% of employees were paid more than minimum wage
- Over 90% of our value chain partners were assessed for selected Human Rights issues.
- All our employees are trained on whistle-blower mechanisms to facilitate informed and open discussion and reporting of issues
- The median annual remuneration of employees at Granules is over six lakhs.

Principle 6



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

- Committed to SBTi to develop science-based emissions reduction targets in line with the 1.5°C pathway
- Committed to achieving Net Zero by 2050
- 22% of our Scope 1+2 Absolute Emission reduction
- 47 % of Electricity consumption is from Renewable Energy sources (PPA , Roof Top solar, and I-RECs)
- Scope-3 Inventorization using the highest level of accurate methodology
- 39% of wastewater generated is recycled
- 88% of our hazardous waste is sent for Co-Processing

Principle 7



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

- Developing a public advocacy policy at Granules for policy advocacy engagements
- Founding Member of Center for Fourth Industrial Revolution (C4IR)- World Economic Forum
- Addressed COP28 (UN Climate Change Global Innovation Hub) in UAE on Decarbonizing the Pharmaceutical Industry

- Addressed in IOD UAE Global Convention 2024 on Board strategy for a Future Ready Business in an Uncertain World
- As active members of the Bulk Drug Manufacturer Association of India (BDMAI), we represent the pharmaceutical industry and engage in meaningful dialogue with other members, peers, and government bodies
- Member of the Confederation of Indian Industry (CII)

Principle 8



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

- 90% of our CSR spend – to upskill and improve community health – benefits vulnerable and marginalized communities
- We work closely with NGOs, local communities, and government agencies to create sustainable solutions and drive positive change.
- Granules India extended its CSR initiatives to the realm of healthcare, particularly focusing on eye care, through a partnership with the Hyderabad Eye Research Foundation, part of the renowned L V Prasad Eye Institute (LVPEI)
- In collaboration with St. Joseph's General Hospital, Granules India has funded the establishment of Dr. Chigurupati Nageswararao Rotary Dialysis Centre. So far, 284 needy patients have used this service

- Two overhead water tanks, with capacities of 150 KL and 100 KL, have been constructed to address the drinking water needs of Bonthapally and Veerannagudem villages
- Granules has provided valuable support by appointing five dedicated Vidya Volunteers. These volunteers are crucial in assisting the teaching staff, enhancing the learning environment, and contributing to the student's academic growth

Principle 9



At Granules, we prioritize engaging with our consumers responsibly, ensuring we provide exceptional value through quality practices.

- Zero product recalls in the reporting year
- We have conducted risk assessments for data security and privacy and included them in our Enterprise Risk Management

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	2 nd Floor, Block III, My Home Hub, Madhapur, Hyderabad – 500081
5.	Corporate office address	2 nd Floor, Block III, My Home Hub, Madhapur, Hyderabad – 500081
6.	E-mail	investorrelations@granulesindia.com
7.	Telephone	040-69043500
8.	Website	https://granulesindia.com/
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited (NSE)
11.	Paid-up capital	₹ 242.36 (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	British Standards Institution (BSI)
15.	Type of assurance obtained	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/Service	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 and 4 R&D Centres	1	11
International	-	-	-

Plants in India	Location
Finished Dosage Unit	160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District – 500 043, Telangana State, 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.

R&D Centres (National)	Location
1.	Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram Village, Qutubullapur Mandal, Medchal-Malkajiri District, Hyderabad – 500 072, Telangana State, 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 State, 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- Malkajiri District, Hyderabad – 500 072, Telangana State, 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- Malkajiri District, 500 078, Telangana State, 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?

93.99% 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 seven state-of-the-art manufacturing facilities, with six located in India and one in the USA. These facilities hold regulatory approvals from esteemed bodies such as the US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC, and HALAL, ensuring adherence to international quality standards.

Granules is a preferred supplier of superior quality pharmaceutical products for the world's leading branded pharma and generics companies, as well as to the top retailers in developed markets. Exports now contribute over 90% of the Company's revenue.

IV. Employees

20. Details as of March 31, 2024

a) Employees and workers (including differently abled)

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	4057	3741	92.2%	316	7.78%
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total employees (D+E)	4057	3741	92.2%	316	7.78%
WORKERS						
1.	Permanent (F)	0	0	-	0	-
2.	Other than Permanent (G)	2467	2022	81.96%	445	18.04%
3.	Total workers (F+G)	2467	2022	81.96%	445	18.04%

b) Differently abled employees and workers

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently-abled employees (D+E)	1	1	100%	0	-
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)	0	0	-	0	-
2.	Other than Permanent (G)	0	0	-	0	-
3.	Total differently abled workers (F+G)	0	0	-	0	-

21. Participation/inclusion/representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	12	3	25%
Key Management Personnel*	7	3	43%

*Key Management Personnel comprise of Managing Director, Executive Directors, Chief Financial Officer, and Company Secretary

22. Turnover rate for permanent employees and workers:

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25%	16%	25%	38%	42%	38%	27%	27%	27%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. a. Names of holding/ subsidiary/ associate companies/ joint ventures:

Sl. No.	Name of Holding/ Subsidiary/ Associate Companies/ Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Granules USA, Inc.	Subsidiary	100%	No
2.	Granules Pharmaceuticals, Inc.	Subsidiary	100%	No
3.	Granules Europe Limited	Subsidiary	100%	No
4.	Granules Life Sciences Private Limited	Subsidiary	100%	No
5.	Granules CZRO Private Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

- a) **Turnover (in ₹): ₹ 37,550 million**
- b) **Net worth (in ₹): ₹ 30,327 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 2023-24			FY 2022-23		
		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	0	0	-	2	0	-
Employees and workers	Yes	0	0	-	1	0	-
Customers	Yes	486	0	-	414	0	-
Value Chain Partners	Yes	0	0	-	0	0	-

All factory units have a Grievance redressal committee to redress individual grievances.

- Communities:** Community members can report their grievances by documenting them and submitting a written complaint to the HR manager of the respective units. The Plant Head, in coordination with the respective stakeholder, addresses these grievances. The Unit Administration promptly handles all grievances from the communities. To date, no significant concerns have been reported.
- Investors/Shareholders:** The Stakeholders Relationship Committee examines and addresses various aspects of shareholder interests. This Committee plays a crucial role in ensuring cordial and productive investor relations by overseeing the mechanisms established for the redressal of investor grievances. Granules has implemented a comprehensive Investors Grievance Redressal Policy. This policy outlines the procedures and protocols for addressing any concerns or issues raised by investors, ensuring that their grievances are managed promptly and effectively.

<https://granulesindia.com/wp-content/uploads/2022/03/Investor-Grievance-Redressal-Policy.pdf>
- Employees:** Granules has established robust internal mechanisms to effectively address grievances related to human rights issues. Employees and stakeholders are encouraged to report any concerns regarding human rights violations through multiple channels, including direct communication with their managers, the Head of the Department, the Unit HR Manager, or the Compliance Officer. As a standard practice, we encourage employees to discuss or report concerns to their managers. However, if any individual is uncomfortable reporting a potential violation to their supervisor, they are encouraged to raise their concerns with the Head of Department, Unit HR Manager, or Compliance Officer. This approach ensures that all concerns are handled promptly and following our commitment to ethical conduct and accountability.
- Customers:** All the customer complaints that were received have been resolved in a time frame as stated in our Quality standard operating procedures and proposed improvements incorporated into the processes, and the Company makes sure that no complaints are pending at the end of the financial year. To report an adverse experience with a specific Granules drug product, one can call the Granules Pharmacovigilance Team or report at - drugs.safety@granulesindia.com

 Customer complaints pertain to packaging, quality, transit, and others.
- Value Chain Partners:** At Granules, we are committed to maintaining strong, transparent, and mutually beneficial relationships with our value chain partners. To ensure that any grievances or concerns are addressed promptly and effectively, we have established a comprehensive Grievance Redressal Procedure. The Downstream-related grievances are handled by the marketing team; Upstream grievances are handled by supply chain management. In case of any queries or concerns partners can reach out to <https://granulesindia.com/register-as-supplier/>.

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk*:

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	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. Granules is focused on converting transition risk into opportunities through innovation across manufacturing and close collaboration with the value chain.	Granules is adopting a comprehensive approach to GHG risk and mitigation. Estimating GHG emissions on Scope 1, 2, and 3 with supplier engagement has been one of the key initiatives in the reporting year. Additionally, Granules has implemented various initiatives to improve energy efficiency in the manufacturing area to reduce GHG emissions. The decarbonization plan is being embedded into the business process. One of our key programs is CZRO, which will support the transformation of climate risk into opportunities.	Negative in the short term and positive in the Long-Term.
2.	Water Management	Opportunity	Effective water and effluent management measures increase our operational efficiency, ensure compliance with regulatory requirements, and enhance the resilience of our business towards water, a critical resource.	We are maintaining a Zero Liquid Discharge (ZLD) System and Effluent Treatment Plants with RO Recovery System to ensure that the effluents generated are treated to minimize the environmental impact and reuse the resources wherever possible. The treated water is suitably recycled back into the utility makeup. We have reduced our dependence on groundwater through water conservation techniques, such as rainwater harvesting, recycling, and effluent water treatment.	Positive
3.	Waste Management	Risk/ Opportunity	Risk: Waste-related regulations pose a risk to the companies in the sector. Opportunity: A comprehensive resource management plan will help Granules reduce waste generation support in climate initiatives and bring circularity.	Under clean manufacturing, all the solid wastes generated at our manufacturing plants are either sent to cement industries for co-processing or to authorized vendors. Hazardous and non-hazardous waste is segregated at the source and stored in dedicated spaces in the manufacturing facilities. Hazardous waste is stored category-wise in hazardous waste storage areas and disposed of at Pollution Control Board-authorized disposal facilities as per applicable regulations. Almost 100% of the non-hazardous waste generated is sent to authorized recyclers for recycling, creating an effective and efficient waste management system. EPR program Granules' implementation of Green Chemistry principles will result in more efficient use of resources, reducing the financial losses due to saving of material and waste management in the long run.	Negative/ Positive
4.	Employee Engagement and Well Being	Opportunity	The wellness and Well-being of the employees are Granules priorities. This supports granules in achieving the business goals and opportunities.	"Granules wants to be an employer of choice." Employee well-being is our topmost priority. The company organizes quarterly health awareness campaigns and conducts meditations and stress management sessions with eminent speakers. The Company has tied up with the "Ekincare" integrated platform that provides access to many healthcare services such as 24*7 chat with doctors, health check-ups at concessional rates, medicines purchase and delivery, and access to Gyms etc. This will help the management achieve its goals in terms of creating a conducive work environment and helping employees realize their potential.	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	<p>Risks related to Exposure of employees to Work-related Hazards and potential legal liabilities due to workplace accidents.</p> <p>Failure to comply with these standards leads to regulatory, reputational, and business continuity risks, which may, in turn, adversely impact our business's sustainability.</p>	<p>We strive to adhere to the standards of Environment, Health & Safety (EHS) and Sustainability.</p> <p>We have an occupational health and safety management system certified as per ISO 45001:2018. To enhance safety performance, we also undertake third-party safety audits through reputable agencies.</p> <p>We also have occupational Health centers in all Manufacturing facilities and have medical assistance around the clock.</p> <p>We have introduced a Night Manager to enhance safety monitoring during the night hours.</p> <p>Employees are provided with training to make them familiar with applicable Health and Safety guidelines and report any unsafe conditions or acts, or near misses to the functional heads.</p>	Negative
6.	Human capital Development	Opportunity	<p>Higher Employee retention and enhanced skills support organizational growth and our ability to have a positive impact on communities.</p>	<p>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.</p> <p>Also, we encourage and nurture talent within the organization by conducting skill development and career development workshops.</p> <p>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.</p> <p>We have launched the "Granules Learning Academy" concept, which includes Training Grass-Root employees on the Fundamentals of Unit Operation in Manufacturing and Quality Control.</p> <p>Role-based training on guidelines and standards is being initiated for managers engaged in pharmaceutical manufacturing.</p>	Positive
7.	Business Ethics and Integrity	Risk	<p>Business integrity breach can hamper the Company's credibility and affect Brand image.</p>	<p>Our Code of Conduct covers all stakeholders, including groups, Suppliers, Contractors, NGOs, and others. We always encourage our employees and all stakeholders not to engage in unfair trading practices, irresponsible advertising, or anti-competitive behavior.</p> <p>We have procedures to ensure that the Company's business is carried out fairly and responsibly.</p>	Negative
8.	Data Privacy and Cyber Security	Risk	<p>Threat of Cyber Attacks resulting in loss of reputation and business continuity.</p>	<p>The lack of a strong data integrity and security mechanism may lead to increased data breaches and the loss of valuable data. Therefore, several mitigation measures have been planned over the years and continue to be implemented.</p> <p>Some of the Mitigation Measures of Granules are:</p> <ol style="list-style-type: none"> 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	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web link of the policies, if available	https://granulesindia.com/investors/investor-resources/policies/ (Internal Policies - P2; P3, P5, P6, P9)								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, at present, our policies under P1, P3, P5 are extended to our suppliers and contractors.								

4. Name the national and international codes/ certifications/ labels/ standards

Principle 1	Quality Management System (ISO 9001:2015)
Principle 2	We don't have a certification currently. We are reviewing the possibilities of Incorporating the principles of ISO of ISO 20400 across 20400 across our organization.
Principle 3	Occupational Health and Safety Management System (ISO 45001:2018)
Principle 4	At Granules, we involve key stakeholders in the process of devising our long-term ESG vision. We conduct Materiality assessment in consultation with all our Internal and External Stakeholders as per GRI standards.
Principle 5	We conduct our business in a manner that abides by human rights and the dignity of people. We intend to undergo a social Accountability Assessment (SA8000) across our organization.
Principle 6	Environmental Management System (ISO 14001:2015), ISO 14064 (GHG Accounting)
Principle 7	We play a strong role in public policy advocacy through regular engagement with specific external stakeholders, including industry associations, government bodies, and regulatory departments. We are Developing a public advocacy policy at Granules for policy advocacy engagements.
Principle 8	We undertake various CSR activities that address the needs of the community. We currently do not have any international codes/ certifications/labels/standards. We intend to undergo a social Accountability Assessment (SA8000) across our organization.
Principle 9	Granules is committed to understanding and meeting customer expectations while fostering long-term business partnerships. Operating in a highly regulated industry overseen by global health authorities, our products consistently meet regulatory standards. we undergo regular audits by various health authorities to ensure the quality and safety of our products and facilities.

5. Specific commitments, goals and targets set by the entity with defined timelines, if any

Climate and Environment Targets	<p>Midterm to Long-term Targets</p> <ul style="list-style-type: none"> ➤ Granules' climate goal aligned with the science-based target for limiting global warming to a 1.5°C temperature goal. <ul style="list-style-type: none"> • Achieve Net Zero by 2050 • Reduce Scope 1 and Scope 2 absolute emissions by 42% by FY 30 from FY 23 baseline • Reduce Scope 3 absolute emission by 42% by FY 30 from FY 23 baseline ➤ Adopt supplier's sustainability framework and encourage strategic suppliers to set science-based emission reduction targets by FY 27 ➤ Achieve Zero waste to landfill by FY 30 ➤ Energy intensity reduction by 20% by FY 27 ➤ Water intensity reduction by 27% by FY 27 ➤ 27% reduction in waste to landfill by FY 27 <p>Short term Targets</p> <ul style="list-style-type: none"> ➤ Increase renewable energy mix in electricity consumption. <ul style="list-style-type: none"> • Commission 1MW rooftop solar plant at Gagillapur unit by FY 25. • Increase renewable energy purchases through PPA across our plants. • Complete techno-commercial feasibility of alternate fuels for boilers for Bonthapally and Gagillapur • Develop an Internal Carbon Pricing (ICP) by FY 25. ➤ Increase coprocessing of waste to 95% by FY 26. ➤ Conduct water risk assessment and develop a water stewardship plan by FY 25. ➤ Conduct climate risk analysis for all facilities and strategic suppliers by FY 25. ➤ Conduct climate risk analysis using the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and integrate major physical and transitional risks with Granules' Enterprise Risk Management (ERM) framework. ➤ Roll out supplier sustainability framework, identify strategic suppliers, and engage them to adopt and share climate targets by FY 25. ➤ Develop a green packaging strategy by FY 25.
Social Targets	<p>Midterm to Long-term Targets</p> <ul style="list-style-type: none"> ➤ Occupational health and safety: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Drive employee engagement for measurable outcomes ➤ Human Capital development: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Achieve gender pay parity by FY2030 • All plants to be made accessible for physically challenged people • Ensure equal opportunity in selection and promotion <p>Short term Targets</p> <ul style="list-style-type: none"> ➤ Occupational health and safety: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Expand employee health and wellness program. Initiate mental health program including access to psychological counselling. ➤ Human Capital development: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • All plants to be made accessible for physically challenged people • Ensure equal opportunity in selection and promotion • Develop a process for increasing the pool of women in the CV sourcing and screening stage of recruitment

Governance Targets	<p>Midterm to Long-term Targets</p> <ul style="list-style-type: none"> ➤ Business ethics and integrity: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 <p>Short term Targets</p> <ul style="list-style-type: none"> ➤ Business ethics and integrity: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Adopt sustainability governance across the organization and integrate with ERM framework ➤ Data privacy and cyber security: <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The Solar power plant in Gagillapur has generated 359 MWh of electricity; we have procured 6,528 MWh of renewable electricity through PPA and 33,000 MWh of I-RECs for Gagillapur and Bonthapally units. Incorporating all these initiatives has increased our renewable energy contribution to 47.4% in our energy mix. • Implementation of various energy-saving initiatives at all our manufacturing units has shown a considerable decrease in fuel consumption. HSD consumption in the reporting period was reduced by 31.6%, and the coal & FO consumption was reduced by 1.9% and 1.4 % respectively
Emissions	<ul style="list-style-type: none"> • In FY 23-24, the Total GHG footprint (Scope1+Scope2) is 87,886 tCO₂e. The Specific GHG Emission Intensity (tCO₂e/MT of Production) is reduced by 26.7% compared to FY 2022-23. • Absolute GHG Emissions (Scope1+Scope2) in the reporting period were reduced by 22%. Implementing rooftop solar panels and purchasing Renewable Energy through PPAs and I-RECs have contributed to this reduction.
Water	<ul style="list-style-type: none"> • The Specific Water Intensity (KL/MT of production) is reduced by 25% compared to FY 2022-23 due to various water conservation measures implemented and an increase in business volumes. • The percentage of water recycled during this financial year is more than 39% of effluent generated, which is recycled and reused in operations.
Waste	<ul style="list-style-type: none"> • More than 88% 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)

Sustainability is a core principle that drives our strategic vision and decision-making processes. We prioritize long-term environmental and social considerations alongside our business goals to become a global leader in sustainable pharmaceutical manufacturing.

We are taking systematic steps towards a holistic sustainability program. We conducted a materiality assessment aligned with GRI and mapped our actions with the United Nations Sustainable Development Goals (SDGs). We have committed to the UNGC and Science Based Targets Initiatives aligned to the 1.5°C pathway.

To achieve this, we are taking several bold steps beyond the business as usual. We have thoroughly assessed our Scope 3 emissions, developed a Net Zero roadmap, and initiated action plans for reducing Scope 1, Scope 2, and Scope 3 emissions. We have comprehensively assessed and disclosed our entire value chain emissions (Scope 1, 2, and 3) across all subsidiaries, demonstrating our commitment to transparency and accountability. We have estimated the

Product Carbon Footprint (PCF) for our five Key molecules, covering 65% of our revenue. Our sustainability initiatives are integrated into product development through the Eco Scale and Green Card programs, promoting responsible business practices. Our climate commitments have been submitted to SBTi for approval, and our climate risk assessment aligns with the reporting of the Task Force on Climate-related Financial Disclosures (TCFD). Initiatives such as our pilot plant for Green Molecules through Granules CZRO and an academic partnership with NIPER Mohali to establish a Centre of Excellence for Innovative and Sustainable Pharmaceuticals highlight our proactive approach. We have implemented Carbon Emission Reduction Measures (CERMs) and launched a comprehensive sustainability program for our suppliers.

Our decarbonization plan, featured at COP 28, underscores our leadership in policy advocacy for a sustainable pharmaceutical sector. All our efforts are also aligned with the Government of India's plan for climate change. Our continuous improvement in ESG practices reflects our dedication to enhancing our sustainability performance. By benchmarking ourselves against industry best practices, we aspire to lead in sustainability within the pharmaceutical sector.

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

- At Granules, 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										A	A	H	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Granules is compliant with all applicable regulations.																	

*Note:

¹P3: 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	N	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, AFNOR for their effectiveness in our system. The independent assessment by British Standards Institution (BSI) 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)									
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)							Y		
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1- BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

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

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

At Granules India, a key part of our business strategy is prioritizing creating an environment where every employee feels supported and empowered.

To achieve this, we have established the "Granules Learning Academy." This program provides essential training for our frontline employees, focusing on unit operations, manufacturing processes, and quality control. We also offer specialized training for managers in pharmaceutical manufacturing, ensuring they understand and follow industry guidelines and standards. These efforts are aimed at improving skills, promoting professional development, and aligning everyone with our company's vision and goals.

Investing in our employees through comprehensive training enhances individual performance and strengthens our overall organizational capacity and capability to innovate and thrive in a competitive market. We are committed to nurturing talent and fostering a culture of continuous learning and growth at Granules India.

Segment	Total number of training and awareness programs held	Topics/ principles covered under the training audits impact	% of persons in respective category covered by the awareness programs
Board of Directors	2	Board retreat - Strategy session - Industry overview and trends for pharma & Chemical, Realignment of Granules Mission, vision and values and Unveiling Granules new Purpose, vision and values	100%
Key Managerial Personnel (KMP)	5	EPP- Effective personal productivity, Board retreat - Strategy session, ESG, Climate change and Business, Unveiling Granule's new Purpose, Vision, and values	100%

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
Employees other than BoD and KMPs	12 (Mandatory)	All Employees and Workers at Granules undergo mandatory training related to Safety, Regulatory Training, Code of Conduct, POSH, Insider Trading, Quality, Soft Skills and Compliance. In furtherance, Granules also rolls out e-mails and updates regarding the above topics as part of its employee awareness.	100%
	47	Enterprise Risk Management (ERM) , Project Management Professional (PMP), Environmental , Social and Governance (ESG), Blister Packing, Encapsulation, Statistical Training, Supervisory Development Program (SDP), Women mentoring, Audit Facing, Behavioral & Communications Skills, Leadership x factor, Woman Leadership Program (Jombay,1000 women leaders) , IPQA Observations , Safety Observations, Batch Production and Control Records (BPCR) vs Practices, ISO Internal Auditor Training, Blister Packing, Regulatory Requirements for Complex Generics, Intellectual Property	68%
Workers	3 Trainings	GMP, Safety work practices, Code of Conduct	100%

- 2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	-	-
Settlement	Nil	Nil	Nil	-	-
Compounding fee	Nil	Nil	Nil	-	-

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	-	-
Punishment	Nil	Nil	-	-

During the financial year, no penalty/fine, settlement, compounding fee, imprisonment, or any kind of punishment has been imposed on the Company or the Company's Directors and KMPs.

- 3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable as there were no monetary or non-monetary penalties	

- 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

We adhere to uncompromising integrity in the conduct of business and do not tolerate corrupt and immoral practices. The Code of Conduct addresses these aspects of anti-corruption/anti-bribery and covers all the stakeholders including groups/ Suppliers/ Contractors/ NGOs/Others. We have procedures in place to ensure that the business is carried out fairly and responsibly. An Employee cannot solicit, encourage, or receive any bribe or other payment, contribution, gift, or favor 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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	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 2023-24	FY 2022-23
Number of days of accounts payables	134 days	114 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 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading house	0	0
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0.6%	0.6%
	b. Sales to dealers/distributors as % of total sales	1	1
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.51 %	0.22%
	b. Sales (Sales to related parties / Total Sales)	40.63%	31.72%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	100%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programs held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
Awareness sessions conducted separately for all key suppliers in the reporting year	<ul style="list-style-type: none"> Supplier Code of Business Conduct ESG Practices 	90% of Value chain partners

We assess 100% of our suppliers for Key Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs), Excipients, Raw Materials, Intermediates, and Packing Materials at regular intervals or as needed, following our Vendor Management Procedure. This assessment covers various CSR aspects such as CSR policies and committees, wages and payrolls, statutory benefits like PF, ESI, and Gratuity, health and safety measures, emergency preparedness and response plans, chemical storage practices, waste management, and wastewater management.

In addition to formal and informal interactions to exchange information and expectations on ESG (Environmental, Social, Governance) and sustainability aspects, in the financial year 2024, we extended our efforts through our Scope-3 GHG Assessment. We reached out to all key suppliers to collaborate on providing accurate data related to their manufacturing processes, energy and fuel consumption, Scope 1, Scope 2, and Scope 3 emissions, and product carbon footprint for materials supplied to Granules India.

Furthermore, we launched a Supplier Sustainability Program to engage key suppliers in committing to and disclosing environmental and climate-related metrics. This program encourages suppliers to disclose their emissions data, develop science-based targets certified by the Science Based Targets initiative (SBTi), and provide product carbon footprint information for products sold to Granules India. It also promotes the adoption of renewable energy in their electricity purchases. Through these collaborative initiatives, we aim to enhance transparency, promote sustainability, and drive positive environmental impacts across our entire supply chain.

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 2023-24	FY 2022-23	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	8.90%	3.68%	We are in the process of commissioning a 660 KWp solar plant in our Gagillapur unit. Capacity enhancement of ZLD at Bonthapally unit We have implemented various energy-saving and Carbon Emission Reduction Measures (CERM) across our Manufacturing units.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Granules is committed to maintaining responsible procurement practices across its supply chain by implementing stringent protocols for vendor identification and approval. We ensure rigorous standards are met through periodic site audits, regulatory approval checks, and regular sample analyses to uphold the highest product quality.

As part of our procurement process, suppliers and vendors undergo thorough evaluations based on material risk assessments, compliance with environmental regulations, labor laws, carbon footprint considerations, and health and safety parameters. Granules has established a Supplier Code of Conduct that articulates our vision and expectations from Manufacturers, Suppliers, Service Providers, Traders, Consultants, and Contractors (collectively referred to as "Suppliers").

Key elements of our Supplier Code of Conduct include:

- Ethical conduct and integrity in all business dealings.
- Compliance with human rights standards, ensuring the dignity and protection of employees.
- Adherence to all relevant environmental regulations and maintenance of necessary permits and licenses.
- Provision of a safe and conducive work environment with a Health and Safety Policy/Guideline that aligns with local and national regulations.
- Implementation of a management system to ensure compliance with laws and regulations, manage operational risks, and drive continuous improvement.

b. If yes, what percentage of inputs were sourced sustainably?

100% of Key Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs) Key Starting Materials (KSMs) are sourced sustainably.

All our Key Starting Materials (API, KSMs) vendors are Good Manufacturing Practices (GMP) compliant and adopt sustainable practices. As part of routine audits, we also rate them for sustainable practices, in addition to quality.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Sl. No.	Product	Product Process to safely reclaim the product
1.	Plastics (including packaging)	Plastics (including packaging) are recycled and disposed of according to Central Government rules and the provisions of the Plastic Waste Management Rules.
2.	E-Waste	E-waste is disposed of through a registered recycler.
3.	Hazardous Waste	Hazardous waste is disposed of at a Treatment, storage, and disposal facility (TSDF) or authorized cement industries for further treatment and disposal or co-processing.
4.	Other Waste	Bio-medical waste is disposed off through authorized common bio-medical waste facilities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we have received our EPR registration certificate on December 26, 2023 from Central Pollution Control Board (CPCB). Our Waste Management plan is in line with EPR requirements.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
----------	---------------------------	---------------------------------	--	---	--

We have estimated the Product Carbon Footprint (PCF) for 5 of our molecules covering 65% of our product sales.. In the near future, we will conduct Life cycle assessments covering all the impact categories.

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Action Taken	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Parameter	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
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 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed (Metric Tonnes)	Re-Used	Recycled	Safely Disposed (Metric Tonnes)
Plastics including packaging	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste- Paper waste	NA	NA	NA	NA	NA	NA

We do not reclaim our products and packaging material at the end of the life of products.

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
No products or packaging materials were reclaimed in the reporting period	

PRINCIPLE 3- BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

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

Essential Indicators

1. a. Details of measures for the well-being of employees:

Granules places a strong emphasis on the well-being of its employees, implementing a range of comprehensive measures and programs to support their health and vitality. Our employees benefit from extensive coverage under a group medical health insurance policy and ESI. Additionally, all employees are covered under a Group Personal Accident policy, with provisions for Maternity and Paternity benefits.

To enhance employee wellness, Granules has partnered with the "Ekincare" integrated platform. This collaboration offers employees and their families access to a wide array of healthcare services, including round-the-clock consultations with doctors via chat, health check-ups at discounted rates, and convenient medicine purchase and delivery options. This platform also facilitates access to fitness facilities, such as gyms.

In addition to these foundational benefits, Granules organizes annual comprehensive health camps, which include screenings for eye, dental, and cardiac health. Quarterly health awareness campaigns are conducted to promote preventive care and health education among employees. Furthermore, the company hosts meditation and stress management sessions conducted by experts, aimed at fostering mental well-being.

To encourage physical fitness, Granules arranges various activity-based programs throughout the year, such as Zumba sessions, Walkathons, and Stepathons. These initiatives not only promote a healthy lifestyle but also cultivate a supportive and nurturing workplace environment.

Category	Total (A)	% Of employees covered by									
		Health insurance		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	3741	3741	100%	3741	100%	NA	NA	3741	100%	3476	92.9%
Female	316	316	100%	316	100%	316	316	NA	NA	270	85.4%
Total	4057	4057	100%	4057	100%	316	100%	3714	100%	3746	92.3%
OTHER THAN PERMANENT EMPLOYEES											
Male											
Female											
Total											

b. Details of measures for the well-being of workers:

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											
Female											
Total											
OTHER THAN PERMANENT EMPLOYEES											
Male											
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 2023-24	FY 2022-23
Spent towards Well-being which include Insurance premium	114.89	95.19

2. Details of retirement benefits for the current and previous financial year.

Benefits	FY 2023-24			FY 2022-23		
	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	20%	99%	Yes	23%	99%	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

We have provided lifts and battery-operated vehicles for movement in the plant premises to support people with any physical challenge. We are further evaluating all the possible ways employees can make the place friendly for differently abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Granules is an equal opportunity employer and make employment decisions based on merit. We want to have the best people available for every job. Granules has an internal equal opportunity Policy and reiterates its commitment to its code of conduct. We prohibit unlawful discrimination based on race, color, creed, gender, age, nationality, marital status, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by Central, State, or local laws. It also includes a perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful.

Granules is committed to compliance with all applicable laws, providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers. Weblink: <https://granulesindia.com/wp-content/uploads/2022/03/COBC.pdf>

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees		Permanent Workers	
	Retention rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

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 2023-24			FY 2022-23		
	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						
Male						
Female						
Total Permanent Workers						
Male						
Female						

At Granules the Employees/ workers will not be restricted in joining the unions. Currently, no unions are recognized by Granules.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health & safety/ wellness measures		On skill upgradation		Total (D)	On health and safety measures/ wellness		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
EMPLOYEES										
Male	3741	3741	100%	1744	47%	3,410	3,300	97%	3,100	91%
Female	316	316	100%	160	51%	240	240	100%	220	92%
Total	4057	4057	100%	1904	47%	3,410	3,300	97%	3,100	91%
WORKERS										
Male	2022	2022	100%	118	5.8%	1,806	1,600	89%	1,500	83%
Female	445	445	100%	77	17%	417	400	96%	350	84%
Total	2467	2467	100%	195	7.9%	2,223	2,000	90%	1,850	83%

9. Details of performance and career development reviews of employees and workers.

Our new Performance Management System connects the Company's objectives and Units/functional objectives with individual employee goals up to the managerial level through the rigorous review process. This enables our employees to work on stretched targets while meeting the Company's objectives.

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES*						
Male	3741	3162	84.5%	3,410	2,740	80.3%
Female	316	236	74.6%	240	171	71.2%
Total	4057	3398	83.7%	3650	2911	79.7%
WORKERS						
Male						
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 2023.

**There are no specific performance evaluations for workers. Every six months salaries would be revised based on Minimum Wages Act.

10. Health and Safety Management System

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

At Granules, we place a strong emphasis on maintaining high standards of Environment, Health, and Safety (EHS) to ensure sustainable operations. Adhering to these standards is crucial as any lapse can lead to regulatory penalties, damage to our reputation, and disruptions to our business continuity, all of which could jeopardize our long-term success.

Our commitment is underscored by our ISO 45001:2018 certified occupational health and safety management system. This system is implemented at our facilities in Gagillapur, Jeedimetla, Bonthapally, and Visakhapatnam, where dedicated Occupational Health Centers are established. These centers play a critical role in promoting a safe working environment, supported by teams focused on enhancing occupational health and safety practices across our operations.

To support our employees' well-being, we have full-time doctors available at each manufacturing site who promptly address any medical concerns. Additionally, our employees have access to 24/7 nursing assistance onsite, ensuring immediate support for health-related issues.

By integrating these measures into our daily operations, Granules not only prioritizes the health and safety of its workforce but also ensures compliance with environmental regulations and promotes sustainable business practices. This proactive approach reflects our commitment to responsible corporate citizenship and maintaining the trust of our stakeholders in the pharmaceutical industry.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- At Granules, Safety is our top priority. 100% of our employees and workers were given training in Health and Safety at the workplace
- We have conducted 51 HAZOP studies internally across the units to help us identify potential hazards and assess risks, allowing us to implement effective safety measures.
- Third-party experts assessed fire and electrical safety at all our units. These assessments ensure compliance with safety regulations and help us maintain safe working environments.
- We conducted Industrial Hygiene assessments to evaluate workplace conditions and potential health hazards at our Gagilapur unit, ensuring our employees work in safe and healthy environments.
- Severity estimation of potential consequences for each undesired incident, considering mitigation safeguards and conditional factors.
- Process Hazard Analysis is conducted to identify and analyze potential causes and consequences of fires, explosions, toxic or flammable chemical releases, and major hazardous chemical spills.
- Risk Assessments are performed to identify workplace health and safety hazards and evaluate associated risks. Existing control measures are assessed for effectiveness and suitability.
- Fire safety management procedures are established across all workplaces to ensure preparedness and response capabilities.
- Regular safety inspections and audits are conducted to monitor compliance with system requirements. Any deviations identified are promptly addressed through corrective actions.
- Work permit systems are implemented to define conditions and procedures for the safe execution of work under controlled risk conditions

c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, Granules has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report work-related hazards and the subsequent steps to mitigate them. A safety observations and interactions program is in place to identify and report all near misses, unsafe acts, and unsafe conditions.

Granules trains all its employees and workers with occupational health and safety modules, which cover aspects of the methodology for identifying work-related hazards, analyzing the risks associated with them, and taking subsequent steps to mitigate them.

During the emergency evacuation drills, employees are trained to handle emergency equipment such as fire hydrants, firefighting systems, leak and spill control procedures, and safety alarms. The training and safety modules equip the employees with the right procedure for reporting work-related hazards and the steps to remove themselves from such situations.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Granules provides non-occupational medical and healthcare services to its employees. Further, the Company ensures the provision of Group medical insurance to all its employees and dependents.

Contract Employees are provided with health benefits from Employee state insurance (ESI).

11. Details of safety-related incidents:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0	0.12
	Workers	0.30	0
Total recordable work-related injuries*	Employees	23	7
	Workers	15	11
No. of fatalities	Employees	0	0
	Workers	2	0
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	0	0

*Medical Treatment cases and Reportable Incidents

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We are committed to sustainable development and maintaining high health and safety standards at the workplace. We carry out our operations in a manner that does not cause any adverse harm to the people or damage to the environment or the communities in and around our workplaces. We comply with applicable laws and regulations concerning Environment, Health, and safety.

Granules embed the guidelines and principles of ISO 45001:2018, OSHA standards, the Factory Act, and other state-level regulatory requirements within its Environment Health and Safety (EHS) management system.

The internal EHS policy advocates providing a safe working environment for all employees and contractors. At Granules, we undertake periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines. At Granules, we undertake periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines. As part of the auditing procedures, the Company recognizes the critical areas requiring immediate corrective action and analyses mitigation measures. Employees are provided training to make them familiar with applicable Health and Safety guidelines and report any unsafe conditions, acts, or accidents to the authority concerned in the Company.

- At Granules, Safety is our top priority. 100% of our employees and workers were given training in Health and Safety at the workplace
- We have conducted 51 HAZOP studies internally across the units to help us identify potential hazards and assess risks, allowing us to implement effective safety measures.
- Third-party experts conducted assessments on fire and electrical safety at all our units. These assessments ensure compliance with safety regulations and help us maintain safe working environments.
- We conducted Industrial Hygiene assessments to evaluate workplace conditions and potential health hazards at our Gagillapur unit, ensuring our employees work in safe and healthy environments.

13. Number of complaints on working conditions and health and safety made by employees and workers.

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL. The employees report their concerns to the safety committees and the issues are resolved on an immediate basis.					
Health & Safety						

14. Assessments for the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% Statutory bodies, external customer audits, certification agencies and regulatory authorities
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

At Granules, we prioritize the safety of our workforce through continuous Hazard and Operability (HAZOP) studies. These studies are integral to identifying potential risks and improving safety practices across our operations. Based on ongoing HAZOP assessments, we are implementing corrective actions to address any identified safety-related incidents promptly. Additionally, we are proactively addressing significant risks and concerns identified through our health and safety assessments and evaluations of working conditions.

- SOIs (Safety observation interactions) are in place to identify unsafe acts and unsafe conditions at the work site. We encourage employees to observe and report any safety-related concerns.
- We analyze Incident investigations for implementation of corrective action as well as to learn and prevent future occurrences.
- All manufacturing locations track incident sharing and safety adherence. We conduct Risk assessments and periodic reviews, and based on investigation, Corrective and Preventive Actions (CAPAs) that are generated are horizontally deployed across groups.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Employees	Contract Workers are provided with health benefits from Employee state insurance (ESI) that covers hospitalization costs in the event of an accident or other unforeseen medical emergencies.
Workers	Contract Workers are provided with health benefits from Employee 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 are 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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	1 (Lost Time Injury – Gagillapur unit)	0	Recovering and still on payroll & Rejoined work in FY 2023-24
Workers	2 Fatalities*	-	0	-

*1 Fatal Incident at Gagillapur and 1 Fatal incident at Bonthapally Unit -1

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Employees who are due for retirement will be intimated six months before the date of retirement to enable them to complete all formalities relating to the retirement and terminal benefits. On the last working day, a gift worth three months' gross salary will be handed over to the retiring employee. The same severance is applicable in case of termination, too.

5. Details on assessment of value chain partners:

Suppliers shall provide a safe and conducive work environment to their employees and are expected to have the Health and Safety Policy/Guideline for their organizations to define, implement and follow Good Health and Safety Practices in compliance with the applicable local and national regulations. Suppliers shall identify and protect their employees from any physical, chemical, and biological hazards as well as from risks associated with any infrastructures.

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	90% of Value chain partners
Working Conditions	

100% of Key Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs), Excipients, Raw Materials, Intermediates, Packing Materials suppliers (Covering about 90% purchase value) are assessed at regularly defined intervals or as and when required) as part of Vendor management procedure (GIL-CQA-008) covering various CSR aspects like CSR policies and committees, Wages and payrolls, Statutory benefits like PF, ESI and Gratuity, Health and Safety measures, Emergency preparedness and response plans, Chemical Storage measures, Waste Management and Waste water Management.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company works with multiple partners and suppliers to deliver high-quality products and services to its customers. To ensure compliance, it conducts stringent audits and conducts awareness campaigns to its partners regarding corrective actions.

No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4- BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

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

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Granules identifies key stakeholder groups through a systematic process that involves assessing and understanding the individuals, organizations, or entities that significantly impact or are impacted by our operations and decisions. Our approach includes:

- **Stakeholder Mapping:** We conduct stakeholder mapping exercises to identify and prioritize groups based on their influence, interests, and involvement with our business. This helps us understand our key stakeholders and how they are connected to our activities.
- **Engagement and Feedback:** We engage directly with stakeholders through various channels such as surveys, consultations, and feedback mechanisms. This interaction allows us to gather insights into their expectations, concerns, and perspectives.
- **Impact Assessment:** We assess the potential impact of our operations on different stakeholder groups and vice versa. This helps us prioritize stakeholders who may be significantly affected by our decisions or have a critical role in our success.
- **Continuous Review:** Our stakeholder identification process is dynamic and ongoing. We regularly review and update our list of stakeholders to reflect changes in our business environment, stakeholder interests, and emerging issues.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	<ul style="list-style-type: none"> • 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	<p>Our investors and shareholders provide essential financial resources, which are crucial in supporting Granules' sustainable business growth.</p> <p>Key topics of interest for our investors and shareholders include our economic performance, sustainability reporting, disclosures, and transparent disclosure of our overall performance metrics.</p>
Customers	No	Customer Meets and Feedback	Half-yearly, and need-based	<p>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:</p> <ul style="list-style-type: none"> • Affordable medicines • Access to healthcare • Emergency medicines

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
Suppliers and business partners	No	<ul style="list-style-type: none"> • Supplier Meets Visits • Supplier audit Facility visits • Strategic business partner training and development 	Event-based and need-based	<p>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:</p> <ul style="list-style-type: none"> • Business ethics and transparency • Status of compliance • Training and development of partners and suppliers • The environmental footprint of operations
Employees	No	<ul style="list-style-type: none"> • Monthly and quarterly in-house publications • Quarterly communication by the Senior Leadership team • HR Communications • Engagement Programs 	Regular and need-based	<p>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</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> • Career planning and skill development • Market-based compensation, benefits, and amenities • Employee welfare programs
Workers	No	<ul style="list-style-type: none"> • Daily/Monthly and quarterly in-house publications • HR Communications • Safety Programs 	Regular and need-based	<p>We are committed to Health and well-being of our Workers.</p> <p>Key topics of interest</p> <ul style="list-style-type: none"> • Occupational health and safety • Safety Awareness • Welfare programs
Communities and non-governmental organizations	Yes	Interactions through CSR initiatives	Continuous and need-based	<p>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</p> <ul style="list-style-type: none"> • 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.

Additionally, we prioritize community health by establishing a public health clinic in Bonthapally Village near our API facility in Hyderabad. The clinic is staffed with a qualified medical doctor and paramedic and provides essential primary healthcare services. This includes treating minor ailments such as fevers, pains, and injuries and ensuring local residents have access to reliable healthcare close to home. These initiatives underscore our commitment to fostering skill development and improving community health outcomes in our operations.

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 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
EMPLOYEES						
Permanent	4057	4057	100%	3650	3650	100%
Other than Permanent	NA	NA	NA	NA	NA	NA
Total employees	4057	4057	100%	3650	3650	100%
WORKERS						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	2467	2467	100%	2223	2223	100%
Total workers	2467	2467	100%	2223	2223	100%

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
EMPLOYEES										
Permanent	4057	0	0%	4057	100%	3650	0	0%	3650	100%
Male	3741	0	0%	3741	100%	3410	0	0%	3410	100%
Female	316	0	0%	316	100%	240	0	0%	240	100%
Non-permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WORKERS										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-permanent	2467	2445	99%	22	1%	2,223	2,117	95%	106	5%
Male	2022	2000	99%	22	1%	1,806	1,700	94%	106	6%
Female	445	445	100%	-	-	417	417	100%	-	-

3. Details of remuneration/salary/wages:

a) Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	9	4.64 crore/ Per Annum	3*	1.16 crore/Per Annum
KMP (other than BoD)	4	11.87 crore/Per Annum	3*	1.81 crore/Per Annum
Employees other than BOD & KMP	3741	4.77 lakh/ Per Annum	316	3.74 lakh/Per Annum
Workers	NA			

*one of the female director not taken any remuneration for FY 23-24

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	6.69	7.17

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 behavior, and we are dedicated to addressing any concerns or issues related to violations of the Code of Conduct. As a standard practice, we encourage stakeholders to discuss or report concerns to their managers. However, if any individual is uncomfortable reporting a potential violation to their supervisor, they are encouraged to raise their concerns with the Head of Department, Unit HR Manager, or Compliance Officer. This approach ensures that all concerns are handled promptly and following our commitment to ethical conduct and accountability.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

Granules has established robust internal mechanisms to effectively address grievances related to human rights issues. Employees and stakeholders are encouraged to report any concerns regarding human rights violations through multiple channels, including direct communication with their managers, the Head of the Department, the Unit HR Manager, or the Compliance Officer.

Upon receiving a grievance, Granules follows structured procedures outlined in our policies, ensuring confidentiality and sensitivity throughout the investigation. We prioritize prompt and impartial handling of grievances to uphold our commitment to ethical conduct and respect for human rights. Our goal is to resolve issues swiftly and appropriately, fostering a workplace environment where human rights are safeguarded and respected.

At Granules, we follow a staged process in addressing human rights issues:

Raising Concern	As a standard practice, we encourage individuals to discuss or report any concerns regarding potential violations with their manager. If someone is uncomfortable reporting to their supervisor, they can raise their concern with the Head of the Department, Unit HR Manager, or Compliance Officer.
Reporting Violation	Employees are encouraged to promptly report any potential or actual violations of laws, company policies, or the Code of Conduct to their Manager/Supervisor, Unit HR, CFO, CHRO, or Compliance Officer.
Investigation	The Code of Business Conduct Committee will promptly and thoroughly investigate every concern and report of violation as per applicable law and procedures.
Disciplinary Action	Based on the nature and particulars of the violation, the investigation committee recommends corrective and preventive action, including disciplinary action.
No Retaliation	We strictly prohibit retaliation against individuals who report alleged violations in good faith. Our Policies ensures that employees can raise concerns without fear of reprisal, fostering a culture of transparency and accountability within our.

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 behavior, 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 2023-24			FY 2022-23		
	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	0	0	0	1	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labor	0	0	0	0	0	0
Forced Labor /Involuntary Labor	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees/workers	0	0.15
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Granules is committed to maintaining a workplace free from harassment, including sexual harassment, with zero tolerance for such behavior. We encourage reporting of any harassment concerns and promptly address complaints through our established procedures outlined in our standing orders. Our policies, including the Code of Conduct and Prevention of Sexual Harassment (POSH) policies, are in place to prevent and resolve such incidents effectively.

Reports of violations must be made in good faith. Regardless of the interpretation of facts, our commitment is to treat all reports fairly. However, filing a false report with malicious intent violates our Code of Conduct. Each individual at Granules plays a vital role in upholding the standards outlined in our Code of Conduct.

To enhance transparency and confidentiality, we have established an "Anonymous Reporting" channel that employees can use to report violations confidentially and/or anonymously. Confidentiality is strictly maintained, and information is shared only on a need-to-know basis to conduct a thorough review.

Granules strictly prohibits 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	
Forced/ involuntary Labor	100% of plants and offices are assessed through SMETA (Sedex Members Ethical Trade)
Sexual harassment	Audits, external customer audits as per Pharmaceutical Supply Chain Initiative (PSCI)
Discrimination at workplace	principles and Statutory authorities, and certification agencies.
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 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	
Forced/ involuntary Labor	
Sexual harassment	90% Value Chain Partners
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 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	TJ	24.79	27.23
Total fuel consumption (B)	TJ	-	-
Energy consumption through other sources (C)	TJ	-	-
Total energy consumed from renewable sources (A+B+C)	TJ	24.79	27.23
From non-renewable sources			
Total electricity consumption (D)	TJ	277.84	250.25
Total fuel consumption (E)	TJ	573.31	592.2
Energy consumption through other sources (F)	TJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	TJ	851.15	842.47
Total energy consumed (A+B+C+D+E+F)	TJ	875.95	869.70
Energy intensity per rupee of turnover	TJ/Million Rupees	0.0233	0.0221
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TJ/ Million Rupees adjusted for Purchasing Power Parity (PPP)	0.00651	0.00617
Energy intensity in terms of physical output	TJ/Tons of Production	0.0144	0.0153

- All Conversion factors of fuel density and Default energy conversion factors considered from Defra GHG Conversion Factors 2023.
- All GHG Emission Factors for Fuels considered from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- All GWP (Global Warming Potentials) Factors for gases considered from IPCC -AR6 WGI Report.
- Emission factors for grid Energy considered from Central Electricity Authority i.e. FY 2023 (0.81 tCO₂/MWh) and FY 2024 (0.716 tCO₂/MWh).
- Applied the same Methodologies and factors (IPCC, DEFRA,CEA) for FY 2023 for GHG and Energy calculations same as FY 2024
- Restated the FY 22-23 electricity consumption data.
- Calculated PPP based on 2022 data from OECD
<https://data.oecd.org/conversion/purchasing-power-parities-ppp.html>

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 British Standards Institution (BSI)

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 2023-24	FY 2022-23
Water withdrawal by source			
(i) Surface water	KL	0	0
(ii) Ground Water	KL	0	0
(iii) Third Party Water	KL	3,68,002	3,41,008
(iv) Seawater/ Desalinated Water	KL	0	0
(v) Others: (Rainwater Harvesting)	KL	0	11,143
Total volume of water withdrawal (in kilolitres)	KL	3,68,002	3,52,151
Total volume of water consumption (in kilolitres)	KL	2,26,082	2,83,330
Water Consumption intensity per rupee of turnover	KL/Million Rupee	6.02	7.21
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	2.01
Water intensity in terms of physical output	KL/Tons of Production	3.73	4.98

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 British Standards Institution (BSI)

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
i. To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
ii. To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
iii. To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
iv. Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	79,216 KL	68,821 KL
v. Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	79,216 KL	68,821 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 2023-24	FY 2022-23
NOx	MT	65.3	124.1
Sox	MT	198.56	230.9
Particulate matter (PM)	MT	82.08	89.3
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 British Standards Institution (BSI)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	56,254	56,265
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	31,632	56,306
Total Scope 1 + 2 Emissions	tCO ₂ e	87,886	1,12,571
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/ Million Rupees	2.34	2.86
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO ₂ e/Million Rupees adjusted for Purchasing Power Parity (PPP)	0.653	0.799
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/ Ton of Production	1.45	1.98

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 by the British Standards Institution (BSI)

Note:

- All Conversion factors of fuel density and Default energy conversion factors considered from Defra GHG Conversion Factors 2023.
- All GHG Emission Factors for Fuels considered from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- All GWP (Global Warming Potentials) Factors for gases considered from IPCC -AR6 WGI Report.
- Emission factors for grid Energy considered by Central Electricity Authority, i.e., FY 22-23 (0.81 tCO₂/MWh) and FY 23-24 (0.716 tCO₂/MWh).
- Restated the FY 22-23 electricity consumption data.

8. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.

During FY 23-24, Granules India Ltd implemented a range of initiatives to improve energy efficiency, reduce greenhouse gas (GHG) emissions, and conserve water across its facilities. These efforts yielded substantial energy savings and significantly bolstered the company's commitment to environmental sustainability.

A key initiative included the replacement of outdated vacuum pumps at GIL-1 Bonthapally, resulting in a notable energy saving of 70,296 KWH. Upgrading conventional belt-driven blower motors at GIL-GGP to energy-efficient EC blowers saved 474,272 KWH. Implementing interlocks on RT pumps at GIL-1 Bonthapally, which automatically shut down upon reaching preset temperatures, contributed an additional 28,244 KWH in energy savings. Moreover, the installation of rooftop solar panels at GIL-GGP facilitated the direct generation and utilization of solar energy. Additional measures such as implementing auto cut-off systems for cooling tower fans, installing Variable Frequency Drives (VFDs) on motors, and integrating automatic tube cleaning systems for chillers also resulted in significant energy efficiencies.

In total, these initiatives achieved an annual energy savings of 915,945 KWH. Furthermore, by purchasing Renewable Energy Certificates amounting to 33,000 MWh and harnessing solar energy, Granules India Ltd avoided emitting 28,700 metric tons of GHG emissions, thereby contributing significantly to environmental protection. Notably, GIL-GGP alone achieved a commendable 17.98% utilization of renewable energy. These energy-saving measures also led to substantial financial savings, totalling approximately INR 120.23 lakhs across all units.

9. Provide details related to waste management by the entity:

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	1106.6	1081.7
E-Waste (B)	1.3	1.6
Bio-Medical Waste (C)	3.02	1.2
Construction and demolition waste (D)	0	0
Battery Waste (E)*	0.2	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3953.51	3137.0
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	2172.9	1946.9
Total (A+B+C+D+E+F+G+H)	7236	6169.0
Waste intensity per rupee of turnover	0.193	0.157
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP)	0.054	0.044
Waste intensity in terms of physical output (MT/	0.119	0.108
*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	3281	3034
(ii) Re-used	-	-
(iii) Other recovery operations (safely disposed)	-	-
Total	3281	3034
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	75	64.5
(ii) Landfilling	398	406.3
(iii) Other disposal operations (Co-processing)	3482	2664.1
Total	3955	3134.9

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 by the British Standards Institution (BSI)

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 88% 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

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification Number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web Links
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. We comply with all the applicable environmental laws/regulations/guidelines in India.

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
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:

- Name of the area: Hyderabad (Gagillapur, Bonthapally, Jeedimetla, Pragathi Nagar, Shameerpet), Parawada Visakhapatnam (Parawada) and Pune
- Nature of operations: Manufacturing and R&D
- Water withdrawal, consumption and discharge in the following format

Parameter	Unit	FY 2023-24	FY 2022-23
Water withdrawal by source			
(i) Surface water	KL	0	0
(ii) Ground Water	KL	0	0
(iii) Third Party Water	KL	3,68,002	3,41,008
(iv) Seawater/ Desalinated Water	KL	0	0
(v) Others : (Rainwater Harvesting)	KL	0	11,143
Total volume of water withdrawal (in kilolitres)	KL	3,68,002	3,52,151
Total volume of water consumption (in kilolitres)	KL	2,26,082	2,83,330
Water Consumption intensity per rupee of turnover	KL/Million Rupee	6.02	7.21
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	2.01
Water intensity in terms of physical output	KL/Tons of Production	3.73	4.98

Water discharge by destination and level of treatment (in kilolitres)

	FY 2023-24	FY 2022-23
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	79,216 KL	68,821 KL
v. Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	79,216 KL	68,821 KL

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Category 1 - Purchased Goods & Services	tCO ₂ e	5,14,516	4,95,807
Category 2 - Capital Goods	tCO ₂ e	10,265	12,205
Category 3 - Fuel and Energy Related Activities	tCO ₂ e	22,579	20,879
Category 4 - Upstream Transportation & Distribution	tCO ₂ e	8,557	8,392
Category 5 - Waste Generated from Operations	tCO ₂ e	3,571	2,992
Category 6 - Business Travel	tCO ₂ e	850	295
Category 7 - Employee Commuting	tCO ₂ e	1,571	1,476
Category 8 - Upstream Leased Assets	tCO ₂ e	1,628	765
Category 9 - Downstream Transportation & Distribution	tCO ₂ e	24,827	22,381
Category 10 - Processing of Sold Products	tCO ₂ e	41,187	46,658
Category 11 - Use of Sold Products	tCO ₂ e	0	0
Category 12 - End of Life Treatment of sold products	tCO ₂ e	4,287	4,031
Category 13 - Downstream Leased Assets	tCO ₂ e	0	0
Category 14 - Franchises	tCO ₂ e	0	0
Category 15 - Investments	tCO ₂ e	0	0
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO₂e	6,33,837	6,15,882
Total Scope 3 emissions per rupee of turnover	tCO₂e/INR	16.88	15.67
Scope 3 emission Intensity in terms of physical output	tCO₂e/ Tons of Production)	10.45	10.82

Note: Category 11, 13, 14, 15 are Not Applicable, as this categories is not relevant to Granules

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:

At Granules, we recognize the critical importance of resources and continuously strive to optimize our utilization through ongoing improvements and operational excellence.

In FY 24, we partnered with Siemens to identify energy efficiency measures and Carbon emission reduction measures (CERMs) in our facilities. This collaboration resulted in a roadmap to decarbonize Scope 1 and 2 emissions, and we implemented various energy-saving initiatives based on their assessments. One significant initiative included replacing outdated vacuum pumps at GIL-1 Bonthapally, resulting in a substantial energy saving of 70,296 KWH. Additionally, we replaced conventional belt-driven blower motors at GIL-GGP with energy-efficient EC blowers, saving 474,272 KWH.

At GIL-1 Bonthapally, we installed interlocks on RT pumps to automatically shut down when the set temperature is reached, saving an additional 28,244 KWH. Furthermore, installing rooftop solar panels at GIL-GGP allowed us to generate and utilize solar energy directly. Other measures included implementing auto cut-off systems for cooling tower fans, installing Variable Frequency Drives (VFDs) on motors, and incorporating automatic tube cleaning systems for chillers, resulting in significant energy efficiencies.

In total, these initiatives led to an annual energy saving of 915,945 KWH. Moreover, by purchasing Renewable Energy Certificates amounting to 33,000 MWh and leveraging solar energy, Granules avoided approximately 28,700 metric tons of greenhouse gas emissions, substantially contributing to environmental protection. GIL-GGP alone achieved an impressive 17.98% utilization of renewable energy. Additionally, these energy-saving efforts resulted in significant financial savings, totalling approximately INR 120.23 lakhs across all units.

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.	Zero Effluent is sent outside the manufacturing unit.
2.	Implementation of Rooftop Solar	We have installed 320 KWp of solar in the Gagillapur unit and are in the process of commissioning another 660 KWp.	359 MWh of power generated.
3.	Purchase of Renewable Energy through PPA	We procured 6528 MWh of Electricity for Gagillapur unit.	4674 MtCO ₂ e of GHG emissions reduced.
4.	Purchase of Renewable Energy Certificates	We have procured 33000MWh of RECs for our Gagillapur and Bonthapally unit.	23628 MtCO ₂ e of GHG emissions are offsetted.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Granules has implemented an Enterprise-wide Risk Management (ERM) framework to identify, prioritize, and continuously monitor the most critical business risks. The board established a dedicated internal Risk committee to oversee and assess these risks continuously.

Granules has established a structured process to monitor its current risk profile and adjust priorities as part of a comprehensive long-term risk mitigation strategy. Granules has engaged third-party to develop a Business Continuity Plan (BCP) and support its Risk Management Program review as part of the ERM framework. The Draft BCP is undergoing review to ensure robustness and readiness.

Granules also has disaster management plans in place to address natural calamities. These plans include onsite emergency procedures and tailored disaster management strategies at the unit level, considering various potential scenarios. This holistic approach underscores Granules' commitment to ensuring business continuity, safeguarding operations, and protecting its stakeholders in the face of unforeseen events.

6. Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact has been observed during value chain assessments. However, we understand that climate change impacts all sectors and all sectors have an impact on the climate. Therefore we engaged with our suppliers to evaluate the climate impact in the value chain due to carbon emissions occurring on account of manufacturing products for Granules. We have committed and established a strategy to reduce carbon emissions.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

90% of our partners are assessed for environmental impacts. We have regular supplier audits and educate the major suppliers on the environmental aspects.

PRINCIPLE 7 - BUSINESS, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Granules is committed to shaping public policy related to its area of interest. It believes in the above statements and has been associated with a national trade organization to promote policies and regulations related to pharma companies in the country. Taking responsibility for its business responsibilities, Granules has transparently disclosed this in its BRSR.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations

The company is associated with various industry chambers/associations as listed below:

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1.	Center for Fourth Industrial Revolution (C4IR)- World Economic Forum	International
2.	Confederation of Indian Industry (CII)	National
3.	Bulk Drug Manufacturer Association of India (BDMAI)	National
4.	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, as an organization, as an active member of the Bulk Drug Manufacturer Association of India (BDMAI), the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), and the Confederation of Indian Industry (CII) presents its views on matters related to the interest of Industry and presents its position through them. We participate in policy discussions with regulators and government authorities, which serve the Company's interests as well as the interests of wider communities.

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
---------	-------------------------	-----------------------------------	--	---	------------------------

Granules is an active member of the Bulk Drug Manufacturer Association of India (BDMAI), which represents the pharmaceutical industry and takes proactive measures to benefit the industry and the wider community.

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)	Amounts paid to PAFs in the FY (In ₹)	Amounts paid to PAFs in the FY (In ₹)
Not Applicable, Since all our operations are in the Industrial area						

3. Describe the mechanisms to receive and redress grievances of the community.

Granules has established a Grievance redressal Policy to effectively address the concerns of the community where we operate. To facilitate transparency and accessibility, Granules provides multiple communication channels as part of its Grievance Policy. These include direct meetings, email correspondence, and dedicated grievance forms. Each grievance is handled promptly, committed to providing a timely resolution or response per the established timeline.

Individuals can approach the unit's HR manager to formally document their grievances and submit a written complaint. Once received, the plant head reviews the grievance in consultation with relevant stakeholders within the organization. Each grievance is handled promptly, with a commitment to resolving or responding within 30 days.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	5.1%	3%
Sourced directly from within the district and neighboring districts*	46%	48%

*- Procured within India

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24	FY 2022-23
Rural	80.84 %	83.64%
Semi-urban
Urban	19.16 %	16.35 %
Metropolitan

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 2023-24)	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Placement Linked skilled development program for rural youth who have completed their 10+2	1200 Students	90%
2.	Two overhead water tanks have been constructed to address the drinking water needs of Bonthapally and Veerannagudem villages. With capacities of 150 KL and 100 KL respectively	5000 Residents	80%
3.	Granules India serves as the title sponsor for the Granules Green Kanha Run, organized by the Heartfulness Institute	3500+ Runners	NA
4.	Granules India has funded Helping Hands of Rotary for the acquisition of equipment dedicated to providing affordable dialysis services for economically disadvantaged individuals	284 people until March 2024	100%
5.	In association with LVPEI (L V Prasad Eye Institute), Granules India has undertaken a significant initiative by organizing free eye screening camps in seven schools around its unit.	1507 Students	100%
6.	To suffice the teaching staff in ZP High School and MPP School, Bonthapally	600 Students	80%
7.	Granules India actively supports the "Talent Hunt program" by the Egra Agriculture and Rural Development Society, focusing on tribal students in West Bengal.	180 Students	100%
8.	Sponsorship for conducting Telangana State Championships 2023	180	NA
9.	Granules has provided valuable support by appointing five dedicated Vidya Volunteers. These volunteers are crucial in assisting the teaching staff, enhancing the learning environment, and contributing to the student's academic growth.	560 Students	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 strongly emphasize providing our customers with the best quality products. We believe in delivering quality products and on-time service to all our customers. To achieve this, our marketing team actively collects customer feedback through various channels, including surveys, direct communications, and customer service interactions. This feedback is then processed and analyzed to identify areas for improvement and ensure that our products and services meet customer expectations.

- All customer complaints received are resolved within the timeframe stated in our quality standard operating procedures, with proposed improvements incorporated into our processes. We ensure that no complaints remain unresolved (at the end of the stipulated period for resolution) by the end of the financial year. Each logged consumer complaint is thoroughly investigated, and a detailed response with action plans is provided to our customers and respective internal stakeholders as required. This systematic approach helps us address issues promptly and implement necessary changes to enhance product quality and customer satisfaction.
- Integrating customer feedback into our continuous improvement efforts demonstrates our commitment to excellence and dedication to maintaining the highest standards in everything we do. This proactive approach ensures that our customers receive the best products and services, reinforcing our reputation for quality and reliability.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Granules complies with all regulatory requirements regarding the display of information on product labels. Our labels clearly show the product name, strength, batch number, expiry date, and manufacturer address. This ensures that consumers have all the essential information they need.

We emphasize the importance of safe and responsible usage, providing clear instructions on using the product correctly. Our product brochures also contain information on recycling and safe disposal, guiding consumers on managing the product responsibly after use. This comprehensive approach meets regulatory standards and promotes environmental consciousness and social responsibility, ensuring the well-being of our customers and the community.

3. Number of consumer complaints:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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	486	0	All the complaints were resolved during the reporting period	414	0	Nil

4. Details of instances of product recalls on accounts of safety issues

	Number	Reasons for recall
Voluntary recalls	0	NA
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.

Leadership Indicators

1. Channels / platforms where information on products and services of the Company can be accessed

All our product catalogs are available on our website. The respective links are provided below:

- **Active Pharmaceutical Ingredients Catalog**
<https://granulesindia.com/products/active-pharmaceutical-ingredients-apis/active-pharmaceutical-ingredients-catalog/>
- **Pharmaceutical Formulations Intermediates Catalog**
<https://granulesindia.com/products/pharmaceutical-formulations-intermediates/>
- **Finished Dosages**
<https://granulesindia.com/products/finished-dosages/>
- **High Potent Products Catalog**
<https://granulesindia.com/products/high-potent-product/>

2. Steps taken to inform and educate consumers, especially vulnerable and marginalized consumers, about safe and responsible usage of products and services.

- We provide clear instructions that describe the product's active ingredients, caution for consumption or usage, possible side effects, and guidelines for storage and disposal.
- For each product, we include a material safety data sheet that offers detailed information on handling and storage.
- Additionally, every pack comes with a product leaflet containing essential information about drug administration, compositions, and potential side effects. This information is designed to be self-explanatory and easy to understand.
- To ensure safety, we also include very specific disclaimers on all medicines, emphasizing that they should only be used as directed by healthcare professionals.
- We aim to ensure consumers have all the information they need to use our products safely and effectively.

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

At Granules, mail communications are sent to inform consumers of any service disruption or discontinuation risk. These notifications ensure that all consumers know of potential issues, providing timely and clear information.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, Granules displays the Product name, strength, batch number, expiry date, and manufacturer address details on product labels in a readable format, as per regulatory requirements.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Our Customer Relations and Marketing team collects customer feedback directly through interactions with all our customers. The feedback is recorded and processed by the respective stakeholders at Granules.

Management Discussion and Analysis

Global Economic Review

In 2023, the global economy showed resilience despite significant challenges. The year began with supply-chain disruptions due to lingering post-pandemic effects, followed by surging inflation and a global energy and food crisis triggered by geopolitical tensions between Russia and Ukraine. Additionally, attacks on commercial shipping in the Red Sea caused a temporary rise in global transportation costs. Despite these challenges, global GDP grew by an estimated 3.2%, supported by robust employment growth, government spending and resilient household consumption. Though headline inflation peaked at 8.7% in 2022, causing economic concerns, it moderated to an average of 6.8% in 2023 due to synchronized monetary policy tightening by central banks. World Bank predicts high interest rates in 2024 and 2025 due to higher and stable commodity prices, geopolitical concerns and possibility of higher rates for longer in the US.

Despite geopolitical tensions and lingering economic headwinds, the outlook for the global economy is improving. The May 2024 Chief Economists Outlook from the World Economic Forum found that only 17% of economists surveyed expect conditions to worsen, a significant improvement compared to the 56% recorded in January 2024. This indicates a tempering down of the negative sentiment.

Indian Economy

In FY 2023-24, the Indian economy exhibited robust growth, with a GDP expansion of 8.2%. Various factors supported this growth, including strong private consumption, a government push for capital expenditure, and overall positive sentiment. Key sectors like manufacturing performed well, contributing to the overall economic expansion. India's external sector remained resilient, with healthy merchandise exports and strong foreign investment inflows. Government support through increased capital expenditure and agricultural activities also played a crucial role in boosting economic growth. A strong corporate profitability and improved bank balance sheets facilitated increased credit flow across sectors, boosting economic activity. Inflation trend in FY 2023-24 showed a gradual decrease, with the inflation rate dropping to 4.85% in March 2024, the lowest in four months.

Looking ahead to FY 2024-25, the outlook is promising. The IMF projects a growth rate of 6.8% for India, while the Reserve Bank of India forecasts a growth rate of 7.2%. The government's support in the form of increased capital expenditure outlay for FY 2024-25, will be a key growth driver. Private consumption and public investment will likely fuel growth, while inflation moderation will likely support consumption trends.

Global Pharma Outlook

The global pharmaceutical industry experienced a significant surge in spending in 2023, driven by shifting usage trends across geographies. This growth spurt has led to a substantial increase in the outlook for medicine spending, with a

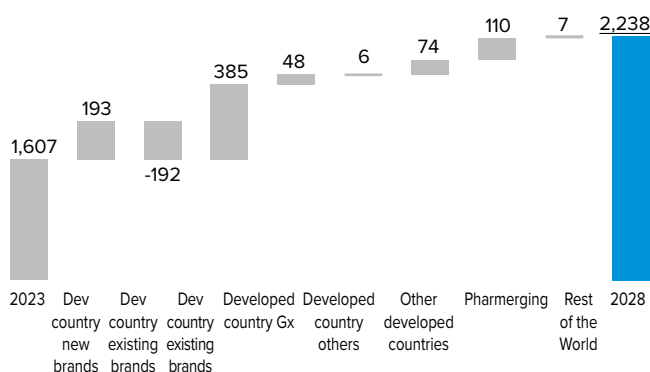
projected compound annual growth rate (CAGR) of 5-8% through 2028. Global spending on medicines at list prices is expected to reach \$2.3 trillion by then.

The growth will be driven primarily by rapid expansion in emerging markets such as China, India, and other Asian regions. In contrast, North America, Western Europe, and Japan are expected to exhibit slower growth due to their already higher per capita use of medicines. Immunology, endocrinology, and oncology therapies have been driving medicine usage, with immunology treatments witnessing a 12% rise in utilization since 2018. GLP-1 agonist medicines have also been rapid uptake since 2021 in both diabetes and obesity, predominantly in the U.S. and other developed markets.

The global pharmaceutical industry is poised for continued growth and innovation, driven by emerging markets, therapeutic advancements, and evolving healthcare needs. Despite challenges, the industry remains resilient and adaptable, ensuring it remains at the forefront of improving global health outcomes and accessibility to essential medicines.

Exhibit 1

Global spending on medicine use (\$ bn)



Source : IQVIA Report titled, Global Use of Medicines 2024, Outlook to 2028

Exhibit 2

Global Pharmaceutical Market Size and Growth Forecast (2024 to 2028) (\$ bn)

Regions	2023	2019-2023 CAGR	2028	2024-2028 CAGR
Developed Markets	1,276	7.2%	1,775-1,805	5-8%
Pharmerging Markets	304	7.8%	400-430	10-13%
Other Markets	28	5.6%	33-37	3-6%
Global Pharmaceutical Market	1,607	7.3%	2,225-2,255	6-9%

Source : IQVIA Report titled, Global Use of Medicines 2024, Outlook to 2028

Global Generics Market

The growing use of generic drugs in developed and developing countries reflects the global shift towards more affordable healthcare. Generics have enhanced global health by improving access to treatment and saving costs for both healthcare systems and patients without compromising efficacy.

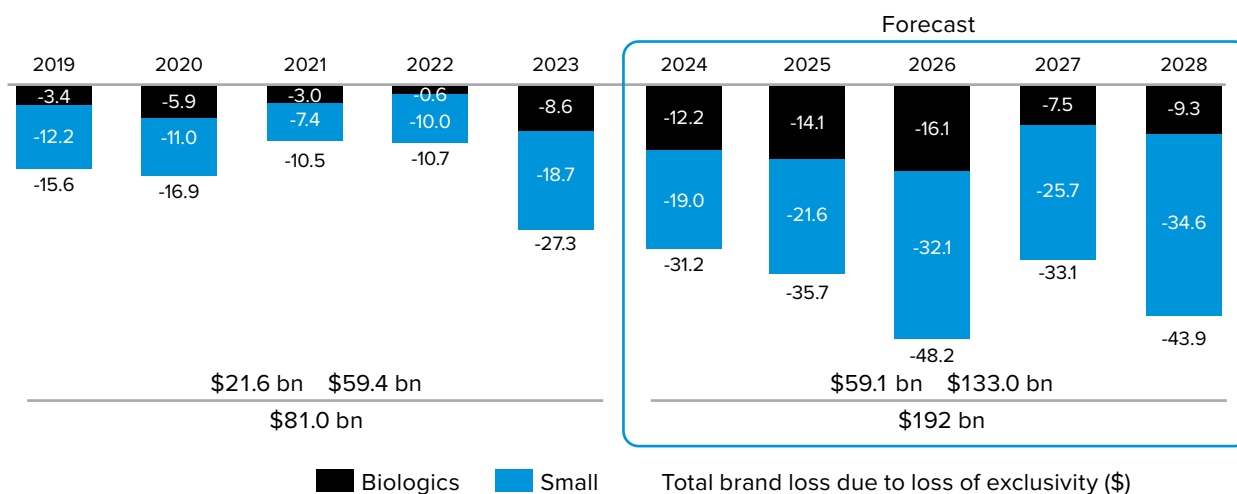
The growth trajectory of generics in various markets worldwide has been on a consistent upward trend. Presently, generic medicines occupy a significant 60%–80% share of all pharmaceutical volume sales in major markets around the world. This shift towards generics has been spurred partially by the expiration of patents on several branded and

blockbuster drugs. Ultimately, the main driving factor is the dramatic rise in healthcare expenditures around the world. As the ageing population increases with a corresponding increase in the prevalence of chronic diseases, many countries, have witnessed health spending outpace gross domestic product (GDP) growth.

The global generic market size grew to \$319 at a CAGR of 4% between 2017 to 2022. Across the leading ten developed markets, the impact of brand losses of exclusivity in the next five years will likely increase by \$111 bn to \$192 bn, with \$133 bn from small molecules and \$59 bn from biologics, thus driving the growth in generics volume.

Exhibit 3

Impact of brand losses of exclusivity in 10 developed countries during 2019-2028 (\$ bn)



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

US Market

Overall spending growth in the US medicine market slowed to 2.5% in 2023, reaching \$446 bn at net price level, reflecting a sharp decline in COVID-19 vaccines and therapeutics. Excluding COVID-19 vaccines and therapeutics, spending growth accelerated to 9.9%, driven by innovation in oncology, immunology, diabetes, and obesity.

The US medicine market will likely grow at a 2-5% CAGR over the next five years, reaching \$537 bn in 2028. The key growth driver will likely be the increased usage of existing protected branded products, which will contribute substantially to overall spending over the next five years. However, the growth is expected to be impacted by the Inflation Reduction Act, which will result in spending estimates being 37% lower than invoice levels in 2023.

US Generics Market

Generic drugs are crucial in the US healthcare system, accounting for over 90% of prescriptions. The US generics market has witnessed a transformation since 1984, post implementation of the Hatch Waxman Act. Indian pharmaceutical companies supply a substantial proportion of drugs to US residents, with four out of ten of all prescriptions filled in the US in 2022 supplied by Indian companies. Indian companies supplied 47% of all generic prescriptions filed in the US and 15% of the volume of biosimilars.

Patent expiries over decades for products used by millions of patients have contributed to overall generic share of adjusted prescriptions reaching 92% — including branded generics but contributes to only 13% of invoice-level expenditure. Over the past five years, generic share of invoice-level spending has dropped from 18.6% to 12.9% while the share of prescriptions has remained unchanged.

Price Erosion in the US Generics Market

The US generic pharma industry has been grappling with pricing pressure, supply chain issues, and cost inflation, severely impacting the margins of the players. The price erosion is attributed to several factors such as customer consolidation, intensified competition, and the US government's measures to reduce drug prices for customers. Generic prices have been deflating for several years, driven by an increase in the number of generic approvals. However, in 2023 these were offset by volume growth and resulted in a \$1 bn contribution to market growth on a net basis. We anticipate that the resultant pricing pressure will lead

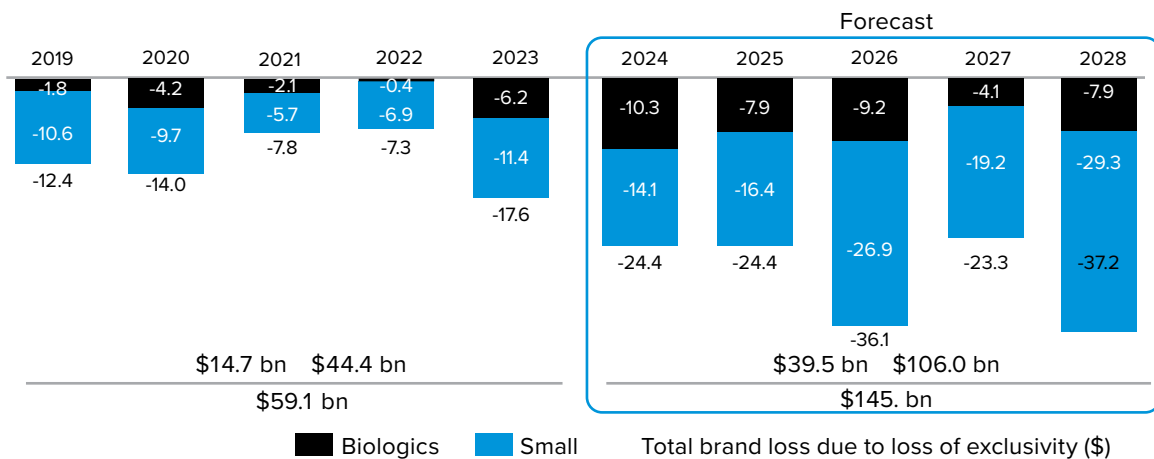
to the consolidation of the industry towards the stronger players who have better control over the supply chain and are capable of backward integration through innovative manufacturing technology.

Outlook for Patent Expiry and Loss of Exclusivity in US

Losses of exclusivity in the US will likely amount to \$145.5 bn with significant impact on spending for both small molecules and biologics. Small molecule expiries are expected to reduce brand spending by \$106 bn through 2028, more than double the impact of the last five years, including the impact of high-profile products in the anticoagulant therapy area, including rivaroxaban (Xarelto).

Exhibit 4

Impact of brand losses of exclusivity in the US during 2019-2028 (\$ bn)



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Nov 2023.

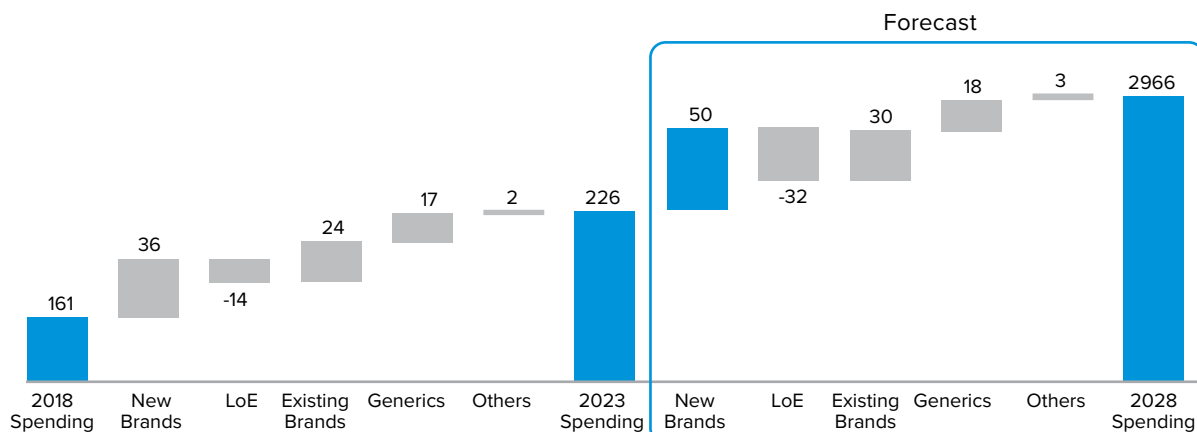
European Market

The European market is expected to increase by \$70 bn over the next five years, from \$226 bn in 2023 to \$296 bn in 2028, driven by new brands and generics, including biosimilars. The impact of losses of exclusivity (LOEs) in the five largest

European markets is expected to more than double over the next five years to \$32 bn, with over half of the impact attributed to biologics. The pace of economic and COVID-19 recovery, broader inflation concerns, and the effect of fuel commodity costs related to the Ukraine conflict will influence market dynamics and payer actions.

Exhibit 5

Spending and growth drivers in the EU4 + the UK during 2018-2028 (\$ bn)



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Nov 2023.

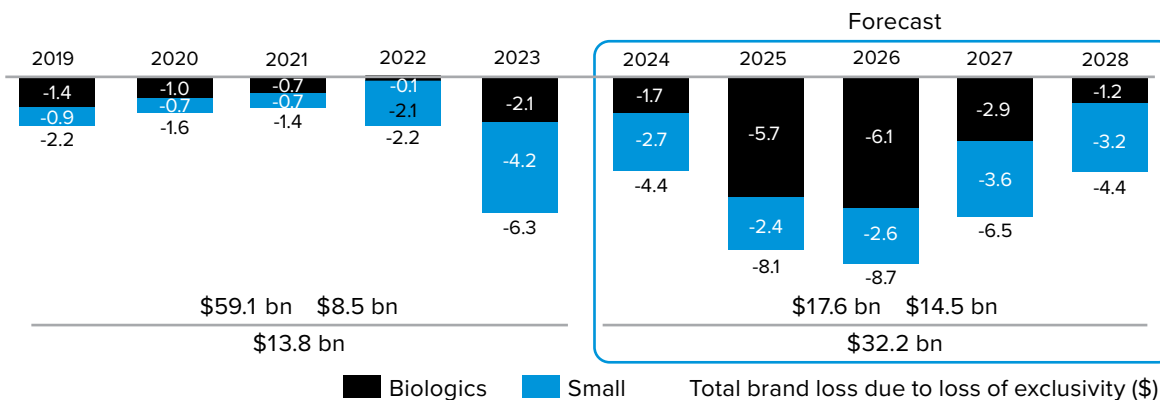
European Generics Market

Generics, including biosimilars, are expected to add \$18 bn in growth over the next five years, about the same as in the past five years, despite a larger impact of LoEs as volume gains will be offset by price deflation.

The effect of LoEs in the five largest European markets (Germany, France, Italy, Spain, and the UK), are expected to more than triple over the next five years and more than half of the impact is expected to be biologics with \$17.6 bn of the \$32.2 bn total impact. Small molecule LoE is expected to double in terms of impact on brands in the next five years from \$8.5 bn in previous 5 years to \$14.5 bn in the next five years.

Exhibit 6

Impact of brand losses of exclusivity in the EU4 + the UK during 2019-2028 (\$ bn)



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Nov 2023.

Japan

Japan medicine spending is forecast to remain nearly unchanged over 5 years as innovation is offset by shift to annual price cuts. Despite robust brand growth, the presence of generics and biosimilars will likely balance this increase. Generic share of spending is also expected to rise, supported by policies largely effective over the entire period, encouraging doctors to substitute available generics with a combination of incentives and penalties.

Pharmerging Markets

The growth trajectory of pharmerging markets is expected to be more influenced by volume rather than the adoption of expensive therapies. These markets typically rely on generics or non-original branded products, resulting in lower shares of spending on originator products compared to developed markets.

China is one of the largest markets in Pharmerging markets. Medicine spending in China has risen from \$103 bn in 2014 to \$163 bn in 2023. By 2028, China will likely exceed \$197 bn, an increase of more than \$30 bn in the next five years.

Over the Counter (OTC) Drugs Market

Over-the-counter (OTC) drugs are considered safe to buy without a prescription and are used to treat common symptoms of cold, body pain, allergy, flu, heartburn, acne, and other basic health problems.

Data Bridge Market Research shows the OTC Drugs market, is likely to grow up to USD 246 bn by 2030 with a CAGR

of 6.60%. Due to increasing self-medication practices, cold, cough, and flu products dominate the product type segment of the OTC drugs market.

Emergence of COVID-19 outbreak has considerably influenced the sales of OTC drugs with increased focus on personal health during the pandemic. This trend has augmented the intake of cold and flu products besides vitamins. Increasing availability and manufacturing of OTC drugs for a broad range of common disease conditions will significantly drive the over-the-counter drugs market revenue in the impending years. The frequent occurrence of the common flu and cold increases the need for treatments. Awareness on and demand for vitamin supplements and weight loss products will majorly contribute to the industry value during the forecast period. Cost-benefits, positive results and broader accessibility are projected to highly fuel demand for over-the-counter drugs.

Indian Pharmaceutical Industry

The Indian Pharmaceutical industry holds a significant position in the global market, with Indian companies playing a crucial role across the pharmaceutical value chain from producing active pharmaceutical ingredients (APIs) to the finished dosage formulations. India has emerged as a major player in the pharmaceutical sector, both in manufacturing and export. Indian Pharmaceutical Industry is the largest provider of generic medicines globally, with a 20% share in the global supply by volume and is also the leading vaccine manufacturer.

The Indian pharmaceutical sector encompasses various segments, including generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research and manufacturing, biosimilars, biologics and active pharmaceutical ingredients (APIs).

The Indian pharmaceutical market (IPM) is poised for substantial growth, with medicine spending expected to reach \$38-42 bn by 2028, reflecting a robust CAGR of 7-10% between 2024 and 2028. The country's growing population, demographic and lifestyle changes, expertise in low-cost manufacturing, affordability, and access to modern medicines are critical growth drivers.

The country's drugs and pharmaceutical exports increased 9.7% YoY to USD 27.9 bn in 2023-24, compared to USD 25.4 bn in 2022-23. The sector's top five export markets during the last fiscal year were the US, the UK, the Netherlands, South Africa, and Brazil.

The Indian pharmaceutical industry is poised for exponential growth, with market projections estimating a value of US\$ 65 bn by 2024 and US\$ 130 bn by 2030. With favorable government policies, increasing demand for innovative therapies, and a burgeoning global market, India's pharmaceutical sector will likely scale new heights, solidifying its position as a worldwide leader in healthcare innovation and accessibility.

The Indian government's Production Linked Incentive (PLI) scheme is also crucial in bolstering the pharmaceutical industry, creating a conducive business environment that attracts potential investors to explore opportunities in the Indian market.

Company Overview

Granules India Limited (GIL) is a leading pharmaceutical manufacturing company recognized for its commitment to producing high-quality products and driving innovation. We operate as a fully integrated pharma manufacturer with a widespread global presence. Our success is attributed to our focus on manufacturing excellence and cost leadership centred around our core molecules. We have established ourselves as leaders in key molecules, attaining critical scale in the industry. While our growth was primarily driven by the US market, we are now expanding our footprint in Europe and other geographies, making significant progress in this region as well.

Throughout our journey, we have consistently maintained a solid track record in delivering superior quality, adhering to compliance standards, and prioritizing sustainability and ESG.

Strategy Roadmap

Granules is embarking on an exciting new phase, driven by our vision to take our business to new heights as a science and innovation-driven organization. Our strategic roadmap revolves around the continuous pursuit of manufacturing excellence, embracing innovation, and technology platforms in chemistry, with a strong focus on fostering sustainability.

We are committed to revolutionizing manufacturing by implementing sustainable practices such as bio-catalysis, process innovation, eco conscious product development, increasing use of renewable energy and renewable energy enabled green molecules as key ingredients into our products. By prioritizing sustainability as a central theme in our business approach, we aim to improve efficiency and reduce our environmental footprint. This comprehensive strategy positions us to achieve significant advancements and create a positive impact in the industry.

Our strategy focuses on three strategic levers led by our core capabilities, innovation and R&D and sustainability.

The first one is strengthening the core by building on our efforts around efficiency and cost leadership mitigating supply chain risks, growing market share, and moving up in the value chain across select markets.

The second strategic lever is Innovation and R&D across our entire value chain from finished formulations, API, and going all the way back to chemical intermediates by reimagining chemistry through innovative technology platforms that we are building.

The third part is to create a strategic lever through Sustainability play. We have committed to achieving Net Zero by 2050 and aligned to SBTi's 1.5° pathway. We have conducted one of the most comprehensive assessments of our Scope 3 emissions in the pharma industry. We have finalized our net zero roadmap and initiated action plans on efficiency measures, adopting biofuels and renewable energy, supplier sustainability programs, and the green molecule platform through our subsidiary CZRO. The initiative aims to achieve the twin goals of healthy people and a healthy planet by using green energy, green energy enabled industrial feedstocks and creating circular economy around our products.

R&D Initiatives

In recent years, we have prioritized investments in building R&D capability and product pipeline. Our R&D investments reached ₹ 1,986 Mn in FY 24, representing 4.4% of our revenues, a significant uptick from previous years. These investments will help us broaden our capabilities, leading to increased focus on quality of our portfolio and higher number of regulatory filings in the future. We have exciting product pipelines in oncology, anti-diabetic segment, large-volume molecules, and select non OSD dosage forms.

Our R&D infrastructure includes Integrated Product Development Centre at Genome Valley, Hyderabad, formulations R&D at our subsidiary GPI, and two centers of excellence (COE) at Pragathi Nagar, Hyderabad—one dedicated to controlled substance APIs/KSMs and the other a bio lab for biocatalysis and fermentation capabilities.

Our R&D facility located at Genome Valley (MN Park) for integrated product development is functioning with over 170 scientists across the API and formulations divisions.

We have established the Pragathi Nagar R&D at Hyderabad as a center of excellence (CoE) for developing CII APIs and

KSMs/intermediates for our select APIs. This will strengthen our presence in controlled substances as we leverage Pragathi Nagar's research and development capabilities in conjunction with the FD R&D of our subsidiary, Granules Pharma Inc (GPI).

The bio lab at Pragathi Nagar brings capabilities in fermentation and biocatalysis, along with a lab and pilot-scale manufacturing platform for enzyme-led projects.

We have completed the lab validation for two such products, and we are gearing up to establish commercial-scale manufacturing capacity at Unit V for their APIs and advanced intermediates. We have the ANDA approvals for the finished dosage, and with their backward integration enabled by differentiated technology platform, we are aiming to reach the leadership position in these molecules.

Global Operations

Granules India Limited is a vertically integrated pharmaceutical company headquartered in Hyderabad, with operations in India, the US, and the UK. With over 300 customers in 80+ countries, we are a preferred supplier of high-quality pharmaceutical products. Our company has grown significantly over the years, driven by our commitment to product quality, operational excellence, and customer service.

Our Strengths

Our best-in-class manufacturing facilities, unwavering commitment to product quality, and culture of operational excellence have enabled us to maintain our position as a leading pharmaceutical company. We have a strong track record of delivering high-quality products to our customers on time and at competitive prices. Our vertical integration, scale, and manufacturing excellence have been source of competitive advantage that has enabled us to reduce costs and improve our profitability.

Business Segments

We operate in three primary business segments: active pharmaceutical ingredients (APIs), pharmaceutical formulation intermediates (PFI), and finished dosages (FD). Our API segment is one of the most cost-effective and efficient manufacturers of APIs, with a focus on improving our manufacturing capability to add new products to our portfolio. Our PFI segment has emerged as one of India's largest PFI manufacturers, with six tons of batch processing capacity. Our FD segment has sustainably grown, and currently contribute over 65% of our revenue. We have equipped our state-of-the-art manufacturing facility at Gagillapur with automated processes and superior-quality systems.

Active Pharmaceutical Ingredients (API)

We are recognized for our cost-effective and efficient manufacturing of APIs, positioning us as a leading supplier of paracetamol, metformin, guaifenesin, and methocarbamol. Our continuous efforts to enhance API manufacturing capabilities drive the expansion of our product portfolio. Most of our new PFI and FD products benefit from vertical integration with our APIs, ensuring seamless production and quality control. Emphasizing advanced technology and

strategic backward integration, supported by a dedicated team, enables us to consistently meet dynamic customer needs with precision and excellence.

API: FY23-24 Highlights

In FY23-24, our API business contributed 22% to our total revenues. We strengthened our API segment through strategic investments in research and development, overcoming challenges in Para API sales volumes and pricing dynamics. These initiatives bolstered our global market position, reaffirming our commitment to delivering high-quality active pharmaceutical ingredients. Our sustained focus on innovation and operational excellence ensured resilience amidst industry fluctuations, setting the stage for continued growth and leadership in the API market.

Revenues

	FY 21-22	FY 22-23	FY 23-24
APIs	9,751	13,414	9,866

(₹ mn)

Pharmaceutical Formulation Intermediates (PFI)

We have established ourselves as one of India's largest PFI manufacturers, boasting six tons of batch processing capacity. Our operations focus on achieving economies of scale and cost-efficiency, driving breakthroughs in the PFI sector. Our PFIs are designed for direct transfer from drums to hoppers, positioning us as a preferred supplier for leading global pharmaceutical companies.

PFI: FY23-24 Highlights

The PFI segment contributed 14% to our revenues in FY23-24 and witnessed significant diversification in FY23-24, particularly in North America and Europe. Strategic product launches and regulatory approvals underscored our capability to expand our market presence and address evolving healthcare needs. Enhanced manufacturing capacities and streamlined operations strengthened our competitive edge, positioning us globally as a preferred partner in pharmaceutical formulations and intermediates.

Revenues

	FY 21-22	FY 22-23	FY 23-24
PFIs	8,456	9,021	6,107

(₹ mn)

Finished Dosages (FD) Segment

Over the years, we have significantly expanded our FD capabilities, constituting more than 64% of our revenues. Our current portfolio includes caplets, tablets, and press-fit capsules available in bulk, blister packs, and bottles. Our facility also manufactures bilayered tablets, rapid release tablets, and extended release (ER) tablets. We leverage and optimize our unique manufacturing platform across India (GIL) and the US (GPI, GPAK) to achieve market leadership in the US finished dosage segments.

FD: FY23-24 Highlights

The FD segment contributed 64% to our total revenue in FY24. Our FD segment emerged as a pivotal driver of revenue growth in FY24, driven by robust sales of GPI-manufactured

products and expanded market penetration in key regions such as North America and Europe. The successful commissioning of our Genome Valley facility in March '24 significantly augmented our production capabilities, going forward, supporting increased demand and reinforcing our leadership in finished dosage formulations. This expansion underscores our commitment to meeting global healthcare demands with quality and efficiency.

Revenue

	(₹ mn)		
	FY 21-22	FY 22-23	FY 23-24
FDs	19,442	22,684	29,090

Despite competitive pressures, we achieved robust growth in North America, driven by strategic expansions in market share across key molecules. Revenue in this region contributed significantly to our overall performance, reflecting our strong position and continued focus on high-value segments. For the GPI-marketed products, seven of our products rank #1 (MAT March 2024), contributing 70% to our GPI revenues. We also have growing OTC business through partnership with brand owners and leading retailers in the US. We have market leadership for two of these products.

Sustainability Initiatives

At Granules, we are steadfast in our commitment to achieving net-zero emissions by 2050, aligning with the Science Based Targets initiative's (SBTi) 1.5°C pathway. We have conducted one of the most comprehensive assessments of Scope 3 emissions. We have finalized a detailed net-zero roadmap and initiated action plans that focus on efficiency measures, biofuel adoption, and renewable energy integration. The launch of our 'Green Pharma' initiative (CZRO) underscores our dedication to sustainable backward integration for critical products such as paracetamol and metformin. Furthermore, the commencement of operations at a pilot plant for DCDA in Vizag marks a significant step towards larger commercial facilities promoting green chemistry. Supplier sustainability programs and developing a green molecules platform bolster our ongoing efforts to improve environmental performance.

Enterprise Risk Management at Granules

Granules has a holistic enterprise risk management (ERM) program that facilitates identifying, assessing, and prioritizing enterprise risks across our sites and functions. We have developed risk repositories for each site and function, based on which enterprise risks are identified and prioritized for effective and timely risk mitigation. The objective of our ERM program is to minimize and mitigate potential internal and external risks to achieve strategic objectives and explore opportunities in a risk-informed manner to protect and enhance value.

Read our detailed Enterprise Risk Management on Page 28

Financial Review

Consolidated abridged Profit & Loss Statement

	(₹ in millions)	
Particulars	FY24	FY23
Revenue	45,063.67	45,119.17
EBITDA	8,559.80	9,138.19
PAT	4,053.10	5,165.97
EPS	16.73	21.05

Revenue from Operations

Revenue for FY24 remained almost flat compared to FY23. This stability in revenue was achieved despite challenges such as a cyber-attack and declining Paracetamol API sales. The company's strategic focus on formulations and the introduction of new products contributed to sustaining the turnover year-on-year.

EBITDA

EBITDA for FY24 was ₹ 8,560 million, as compared to ₹ 9,138 million in FY23. The decline is primarily attributed to increased R&D spending. However, the value-added percentage of sales increased, driven by higher finished dosage (FD) sales and lower material costs. Despite the decline, the Company maintained a healthy EBITDA margin of 19.0%.

Consolidated Balance Sheet

Assets

Total assets increased to ₹ 55,209.82 million as of March 31, 2024, up from ₹ 49,045.64 million in the previous year, driven by investments in tangible and intangible assets, reflecting ongoing capacity expansions and technological advancements.

Equity and Liabilities

Total equity increased from ₹ 28,349.09 million as of March 31, 2023, to ₹ 32,255.44 Mn as of March 31, 2024, primarily due to profit generated during FY24.

	(₹ in millions)	
Particulars	As on March 31, 2024	As on March 31, 2023
ASSETS		
Tangible and Intangible Assets	23,673.16	21,503.03
Non-Current Assets other than above	2,486.18	1,801.13
Current Assets	29,050.48	25,741.48
Total Assets	55,209.82	49,045.64
EQUITY AND LIABILITIES		
Total equity	32,255.44	28,349.09
Non-Current liabilities	2,131.45	2,561.54
Current liabilities	20,822.93	18,135.01
Total Equity and Liabilities	55,209.82	49,045.64

Debt position

Total debt stood at ₹ 12,232.26 million, up from ₹ 10,586.22 million in FY23, reflecting increased short-term borrowings to support operational needs

Particulars	(₹ in millions)		
	As on March 31, 2024	As on March 31, 2023	Change
Long-term debt (Current portion)	1,000.15	990.96	9.19
Long-term debt (non-current portion)	689.71	1,486.44	(796.73)
Short-term borrowings	10,542.40	8,108.82	2,433.58
Total Debt	12,232.26	10,586.22	1,646.04

Cash flow

Cash Flow from Operations

Cash flow from operations for FY24 was ₹ 4,394 million, down from ₹ 7,387 million in FY23. This decrease was primarily due to lower EBITDA and an increase in inventory holding days.

Capital expenditures (Capex)

Capex during FY24 totalled ₹ 3,788 million, primarily invested in Granules Life Sciences and Granules CZRO, supporting strategic growth initiatives and operational expansions.

Particulars	(₹ in millions)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Cash and Cash equivalents	2,915.57	1,847.14
Cash flow from Operating activities	4,394.14	7,387.49
Cash flow from Investing activities	(3,601.6)	(1,913.63)
Cash flow from Financing activities	76.64	(4402.9)
Effect of exchange rate changes	26.25	(2.53)
Closing cash and cash equivalents	3,811.00	2,915.57

Financial Ratios

Key Ratios	As on March 31, 2024	As on March 31, 2023	% Variance	Reason for Variance (if more than 25%)
Debtors Turnover	4.66	4.82	(3%)	
Inventory Turnover	3.68	4.24	(13%)	
Interest Coverage Ratio	6.17	13.29	(54%)	Rise in finance cost is attributed to the increase in the SOFR rate.
Current Ratio	1.40	1.42	(2%)	
Debt Equity Ratio	0.38	0.37	2%	
EBITDA Operating Profit Margin (%)	19%	20%	(6%)	
Net Profit Margin (%)	9%	11%	(21%)	
Return on Net Worth (%)	14%	21%	(33%)	Decrease in profit during current year is due to cyber incident and decline in Para API Volume .

Internal Control Systems and Adequacy

Commensurate with the size and nature of operations, the Company maintains adequate systems of internal control and procedures covering all financial and operating functions. It believes that a strong internal control framework is one of the most indispensable factors of Corporate Governance. Continuous efforts are being made to enhance the system's responsiveness to unauthorized use or losses. The audit committee oversees all aspects of internal functioning and advises on corrective actions as and when required.

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 contained 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-third Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2024.

FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2024 is summarized below:

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from Operations	37,550.91	39,312.00	45,063.67	45,119.17
Other Income	57.77	99.32	44.02	137.80
Total Income	37,608.68	39,411.32	45,107.69	45,256.97
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	8,071.37	8,481.71	8,603.82	9,275.99
Less: Finance Costs	719.98	386.74	1,058.21	559.33
Less: Depreciation	1,438.48	1,455.57	2,073.32	1,844.94
Profit Before Tax	5,912.91	6,639.40	5,472.29	6,871.73
Less: Tax Expenses	1,553.73	1,651.55	1,419.18	1,705.76
Profit for the year	4,359.18	4,987.85	4,053.10	5,165.97
Dividends paid	363.06	186.22	363.06	186.22

Note: The above figures are extracted from the standalone and consolidated financial statements of the Company.

OVERVIEW OF FINANCIAL AND BUSINESS OPERATIONS:

Standalone Financial Summary: On a standalone basis, the revenue from operations was ₹37,550.91 million in FY 23-24 as against ₹ 39,312.00 million for FY 22-23 and the net profit after tax was ₹ 4,359.18 million in FY 23-24 as against ₹ 4,987.85 million for FY 22-23.

Consolidated Financial Summary: On a consolidated basis, the revenue from operations was ₹ 45,063.67 million in FY 23-24 as against ₹ 45,119.17 million for FY 22-23 and the net profit after tax was ₹ 4,053.10 million in FY 23-24 as against ₹ 5,165.97 million for FY 22-23.

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 56.71% while Pharmaceutical Finished Intermediates (PFI) and Active Pharmaceutical Ingredients (API) contributed 17.12% and 26.17% respectively while it was 43.54%, 23.11% and 33.35% for FD, PFI and API respectively for the FY 22-23.

In FY 23-24, the Company filed five ANDAs with the USFDA, one MA in the European region and two MAs in South Africa. The Company also filed six US DMFs which will be used for building future revenue from API business. The Company received seven USFDA approvals, three approvals in the European region, one approval in Canada and three approvals

in South Africa. 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 endeavor towards adding new products, cost leadership and most importantly offering reliable and consistent services to all the customers. The Company's goal of transforming more of its business into the finished dosage business will continue and with this objective, the Company will continue to grow as an integrated Pharmaceutical Company sustainably and responsibly.

DIVIDEND:

The Board of Directors has recommended a final dividend of ₹1.50/- per equity share (Face value ₹ 1/- per equity share) for the financial year 2023-24, same as the dividend paid in the previous financial year.

The dividend pay-out 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 24,23,68,716 equity shares of ₹ 1/- each.

The Company had allotted 3,25,960 equity shares of ₹ 1/- each during the year upon the exercise of an equal number of stock options by the employees pursuant to the Employees Stock Option Scheme of the Company.

TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND (IEPF):

In terms of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, unclaimed dividends amounting to ₹ 8,79,812/- (Rupees Eight Lakhs Seventy-nine thousand eight hundred and twelve only) pertaining to the final dividend for the financial year 2015-16 and up to the third interim dividend for the financial year 2016-17 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 71,951 equity shares to the Investor Education and Protection Fund relating to the investors who have not claimed any dividend from 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/>.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34(2) of the Listing Regulations, is presented in a separate section, forming part of the annual report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

SUBSIDIARY COMPANIES, THEIR PERFORMANCE AND DEVELOPMENTS

Granules USA, Inc.

Granules USA, Inc., a wholly-owned foreign subsidiary of the Company, caters to the Granules USA, Inc., a wholly-owned

foreign subsidiary of the Company, caters to the business to the business segment of the US market. During the FY 2023-24, the Company achieved a turnover of ₹ 7,187.96 million against the turnover of ₹ 7,279.76 million for FY 2022-23 and the profit after tax is ₹ (188.37) million against ₹ 36.23 million for FY 22-23.

Granules Consumer Health Inc (GCH) is a wholly-owned subsidiary of Granules USA, Inc. GCH primarily focuses on marketing over-the-counter (OTC) medications to retailers. GCH also operates an USFDA-approved packaging facility in Manassas, Virginia, USA to support its business.

Granules 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 23-24, the Company achieved a turnover of ₹ 16,203.76 million against the turnover of ₹ 11,193.99 million for FY 22-23 and the profit after tax is ₹ 589.89 million against ₹ 151.52 million for FY 22-23.

During the year FY 2023-24, GPI filed three ANDAs with USFDA, approvals for which are awaited. During the year under review, GPI launched four product under its label.

Granules Europe Limited

Granules Europe Limited is a wholly-owned foreign subsidiary of the Company set up in the United Kingdom to focus on marketing to European customers.

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 will add 8 bn dosages to our finished dosage capacity.

Granules CZRO Private Limited

Granules CZRO Private Limited, a wholly-owned subsidiary in India was incorporated for manufacturing green chemicals. The pilot plant for DCDA has been set up at Visakhapatnam, Andhra Pradesh and process stabilization of the plant is in progress.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at <https://granulesindia.com/wp-content/uploads/2024/03/Policy-on-Material-Subsidiaries.pdf>.

JOINT VENTURE/ ASSOCIATE COMPANIES

The Company has no joint venture or associate Company during the period under review.

No other Company 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 23-24 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, 2024, 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, 2024 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, 2024;
- 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 2023-24 with related parties were in the ordinary course of business and are on an arm's length basis. During the year, except with 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/2022/03/Granules-Related-Party-Transactions-Policy.pdf>

The particulars of transactions with related parties referred to in section 188(1) are prepared in Form No. AOC-2 pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as **Annexure IV** to the Board's report.

The details of the transactions with related parties were also provided in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY:

The Sustainability & Corporate Social Responsibility Committee is comprised of four members out of which two are Independent Directors. The details of the constitution of the Committee and its meetings are provided in the corporate governance report. The CSR activities of the Company are governed through the Corporate Social Responsibility Policy (CSR Policy) approved by the Board and in compliance with Schedule VII of the Act. The CSR Policy may be accessed on the Company's website at <https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf>

During the year under review, the Company has spent ₹ 128.24 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 four members out of which three are Independent Directors. The details of the constitution of the Committee and its meetings are provided in the corporate governance report. The Chairman of the Committee is an Independent Director, thereby resulting in independent and unbiased decisions.

The Performance Evaluation and Remuneration Policy framed by the Committee and approved by the Board is directed towards rewarding the performance of Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company based on a review of achievements periodically. The Performance Evaluation and Remuneration Policy may be accessed on the Company's website at <https://granulesindia.com/wp-content/uploads/2023/06/performance-evaluation-and-remuneration-policy-2023.pdf>

ENTERPRISE RISK MANAGEMENT:

The Company has a Risk Management Committee of the Board and the details of the Committee and its terms of reference are set out in the corporate governance report.

The Risk Management Committee has been entrusted with the responsibility to:

- (a) oversee and approve the Company's enterprise risk management framework;
- (b) oversee all the risks that the organization faces such as financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- (c) ensure that appropriate methodology, processes, and systems are in place to monitor, evaluate and mitigate risks associated with the business of the Company.

The Company has a proper process for risk management.

INTERNAL FINANCIAL CONTROLS:

Internal financial controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized, and embedded in the business processes. An assurance of the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by external consultants on behalf of the management at least once a year. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

INTERNAL AUDIT AND CONTROLS:

The Company continues to engage M/s. Dhanunjaya & Haranath, Chartered Accountants as its internal auditors. During the year, the Company continued to implement its suggestions and recommendations to improve internal controls. Their scope of work includes a review of the operational efficiency, the effectiveness of systems & processes, compliances 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 and 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 includes 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 independence criteria defined in Section 149(6) of the Act, and regulation 16(1)(b) of the Listing Regulations.

Appointment

- (1) The members of the Company have approved the appointment of Mr. Kapil Kumar Mehan (DIN: 01215092) as an Independent Director of the Company for a period of 5 years commencing from May 16, 2023 to May 15, 2028 in the Annual General Meeting held on August 10, 2023.

- (2) The Board of Directors at their meeting held on January 23, 2024 have appointed Dr. Sethurathnam Ravi (DIN: 00009790) as an Independent Director for a period of 5 years commencing from January 23, 2024 to January 22, 2029 and the same was approved by the members of the Company on April 02, 2024 through the postal ballot.
- (3) The Board of Directors at their meeting held on January 23, 2024 have appointed Ms. Priyanka Chigurupati (DIN: 01793431) as an Executive Director for a period of 5 years commencing from January 23, 2024 to January 22, 2029 and the same was approved by the members of the Company on April 02, 2024 through the postal ballot.
- (4) The Board of Directors by the resolution passed through circulation on February 19, 2024 has appointed Mr. Rajiv Pritidas Kakodkar (DIN: 01519590) as an Independent Director of the Company for a period of 5 years commencing from February 20, 2024 to February 19, 2029 and the same was approved by the members of the Company on April 02, 2024 through the postal ballot.

Cessation

Mr. Arun Rao Akinepally ceased to be an Independent Director of the Company consequent to the completion of his second term as an Independent Director on March 31, 2024.

Re-appointment

- (1) The Board in its meeting held on May 15, 2024 re-appointed Dr. Krishna Prasad Chigurupati (DIN: 00020180) as a Managing Director of the Company for a further period of five years with effect from September 01, 2024 since his current term is completing on August 31, 2024. He was also designated as Chairman and Managing Director of the Company.
- (2) The Board in its meeting held on May 15, 2024 re-appointed Mr. Harsha Chigurupati (DIN: 01606477) as an Executive Director of the Company for a further period of five years with effect from August 29, 2024 since his current term is completing on August 28, 2024.
- (3) In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Uma Devi Chigurupati, (DIN: 00737689) 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-appointments to the shareholders. The notice convening the 33rd Annual General Meeting to be held on August 06, 2024 sets out the details.

In the opinion of the Board, the Directors re-appointed possess the integrity, expertise and experience to perform their functions effectively in the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act and the Listing Regulations.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during the Board / Committee meetings when executives of the Company are asked to make presentations about the performance of the Company. Apart from this, they also have independent interactions with the statutory auditors, the internal auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted to enable the Independent Directors to discuss matters about the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Key Managerial Personnel

The following have been designated as the key managerial personnel of the Company pursuant to section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Dr. Krishna Prasad Chigurupati - Chairman and Managing Director

Dr. Kandiraju Venkata Sitaram Rao - Joint Managing Director & CEO

Mrs. Uma Devi Chigurupati - Executive Director

Mr. Harsha Chigurupati - Executive Director

Mrs. Priyanka Chigurupati - Executive Director

Mr. Mukesh Surana - Chief Financial Officer

Ms. Chaitanya Tummala - Company Secretary

Mrs. Priyanka Chigurupati, Executive Director became the Key Managerial Personnel of the Company w.e.f. January 23, 2024.

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 23-24. 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, 2024 (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	3,85,960	60,000
(d)	Options exercised during the year	3,25,960	NIL
(e)	Total number of shares arising as a result of the exercise of options	3,25,960	NA
(f)	Options lapsed/surrendered during the year	20000	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	3,16,18,120	NA
(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.	₹ 17.99 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 recognized if it had used the fair value of the options.	Not Applicable	

Sl. No.	Description	Details of Scheme	
		ESOS-2009	ESOS-2017
(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	NA
(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 Standalone financial statements.	

AUDITORS AND THEIR REPORTS:

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, 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 auditor's report are self-explanatory and do not call for any further comments. The auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

The Board has appointed M/s. Saurabh Poddar & Associates, Company Secretaries, to conduct a secretarial audit for the financial year 2023-2024. The secretarial audit report for the financial year ended March 31, 2024 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

Six meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance report, which forms part of this report.

Audit Committee

The Audit Committee is comprised of four (4) Members out of which three (3) are Independent Directors and one (1) is an Executive Director. During the year under review, five Committee meetings were held, details of which are provided in the Corporate Governance report. During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

Whistleblower Policy and Vigil Mechanism

The Company has established a mechanism for Directors and employees of the Company to report concerns about unethical behavior, 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 Whistleblower policy may be accessed on the Company's website at <https://granulesindia.com/wp-content/uploads/2022/06/Granules-India-Limited-whistle-blower-policy.pdf>

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Joint Managing Director & CEO is published in the Corporate Governance report which forms part of the annual report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement (Please refer to Note No.4A, 4B, 7C and 26(b) to the standalone financial statement).

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

The particulars relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed herewith as **Annexure V** to the Board's report.

Annual Return

Pursuant to section 92(3) read with section 134(3)(a) of the Act, the Annual Return as of March 31, 2024 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 33rd AGM of the Company. Any member interested in obtaining a copy thereof may write to the Company Secretary in this regard.

The Directors further state that the remuneration paid to the Key Managerial Personnel and Senior Management Personnel is as per the Company's Performance Evaluation and Remuneration Policy.

Remuneration from Subsidiaries

Ms. Priyanka Chigurupati was appointed as Executive Director of the Company w.e.f. January 23, 2024. She has received a remuneration of \$ 62,133 from Granules Pharmaceuticals, Inc., a wholly-owned foreign subsidiary of the Company from January 23, 2024 to March 31, 2024.

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, no concern/complaint was reported. No complaint was pending as of the end of the financial year.

The Company regularly conducts awareness programs for the employees.

GENERAL

No disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except the Employee Stock Option Scheme referred to in this report.
- The Company does not have any scheme of provision of money for the purchase of its shares by employees or by trustees for the benefit of employees.
- Cost Audit is not applicable for the financial year 2023-24.
- 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.

ACKNOWLEDGMENTS:

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

Hyderabad, May 15, 2024

DIN: 00020180

ANNEXURE I TO BOARD'S REPORT: CSR REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2023-24 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. **Brief outline of CSR Policy of the Company:** CSR Policy can be accessed at <https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf>

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of the CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Uma Devi Chigurupati	Chairperson/Executive Director	01	01
2.	Dr. Krishna Prasad Chigurupati	Member/Executive Director	01	01
3.	Mr. Arun Rao Akinepally	Member/Independent Director	01	01

3. Provide the web link where the

a) Composition of the CSR Committee The composition of the CSR Committee can be accessed at <https://granulesindia.com/investors/other-information/>

b) CSR Policy and 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. 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): ₹ 6409.96 million

(b) Two percent of the average net profit of the company as per section 135(5): ₹128.19 million

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: 0.17 million

(d) Amount required to be set off for the financial year: ₹ 0.17 million

(e) Total CSR obligation for the financial year (5b+5c- 5d): 128.02 million

6 (a) Details of CSR amount spent against ongoing projects for the financial year: N.A.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State.	Project duration District.	Amount allocated for the project (in ₹)	Amount spent in the current Financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency CSR Name Registration number
1.	--	--	--	--	---	--	--	--	--	-- --
Total		--	--	--	--	--	--	--	--	-- --

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State. District.	Project duration	Amount spent for the project (₹ in millions)	Mode of implementation on- Direct (Yes/No)	Mode of implementation – Through implementing agency Name CSR Registration number
1.	Skill development activity	Cl.(ii) livelihood enhancement projects	Yes	Telangana Ranga Reddy District		8.40	No	Swarna Bharat Trust CSR00001645
2	Promoting Health Care	Cl.(i) Promoting preventive healthcare	Yes	Telangana Hyderabad		5.00	No	Hrudaya Cure a Little Heart Foundation CSR00004126

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project Project duration		(6) Amount spent for the project (₹ in millions)	(7) Mode of implementation on- Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State.	District.			Name	CSR Registration number
3.	Promoting environmental sustainability	Cl.(iv) Environmental Sustainability	Yes	Telangana	Hyderabad	0.14	Yes	N.A.	
4.	Granules Trust	Schedule VII activities	Yes	Telangana	Hyderabad	114.70	NO	Granules Trust	CSR00006834
TOTAL						128.24			

(b) Amount spent on Administrative Overheads:

NIL

(c) Amount spent on Impact Assessment, if applicable:

NA

(d) Total amount spent for the Financial Year (6b+6c+6d):

₹ 128.24 millions

(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 Account as per section 135(6)	Unspent CSR Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5)			
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
128.24 million	Nil	NA	NA	NA	NA

(f) Excess amount for set-off, if any

Sl. No.	Particular	Amount (₹ in millions)
(i)	Two percent of the average net profit of the company as per section 135(5)	128.19
(ii)	Total amount spent for the Financial Year 2023-24	128.24
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0.17
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	0.22

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in millions)	Amount spent in the reporting Financial Year (₹ in millions)	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any.			The amount remaining to be spent in succeeding financial years. (₹ in millions)
				Name of the Fund	Amount (₹ in millions)	Date of transfer.	
1.	2019-20	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-
3.	2021-22	-	-	-	-	-	-
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 the such asset(s) so created or acquired through CSR amount spent in the financial year:

Sl. No.	Short Particulars of the property or asset(s)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, If applicable	Name	Registered Address
NA							

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): NA

Uma Devi Chigurupati

Chairperson of Sustainability & CSR Committee

Dr. Krishna Prasad Chigurupati

Chairman and Managing Director

ANNEXURE II TO BOARD'S REPORT

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
Granules India Limited

I, Saurabh Poddar, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on May 16, 2023 by the Board of Directors of M/s. Granules India Limited (hereinafter referred to as '**the Company**'), having CIN:- L24110TG1991PLC012471 and having its registered office at Second Floor, Block III, My Home Hub, Madhapur, Cyberabad, Hyderabad -500081.

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, 2024.

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.
- 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. We conducted our 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 we comply with the ethical requirements of the Code of Ethics issued by the Institute of Company Secretaries of India.

Certification:

1. On the basis of the examination carried out by us and the information, explanations and representations provided to us by the management of the Company, in our opinion, the Schemes are implemented in accordance with the Regulations.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the management of the Company.
2. Our responsibility is to give a certificate based on our 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 your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Auditor's Responsibility:-

1. Pursuant to the requirements of the Regulations, it is our 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, we 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;

For **M/s. Saurabh Poddar & Associates**
Company Secretaries
FIRM UIN: S2012AP177700

Name: Saurabh Poddar

Membership No: FCS 9190

COP No: 10787

PR: 785/2020 dated June 30, 2020

UDIN: F009190F000156271

Place: Hyderabad

Date: April 17, 2024

ANNEXURE III TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2024

[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
2nd Floor, 3rd Block, My Home Hub,
Madhapur, Hyderabad - 500 081, Telangana.

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 2024 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 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- (d) Securities and Exchange Board of India (Share-based Employee Benefits & Sweat Equity) 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
 2. Drugs Price Control Order, 2013 and notifications made thereunder.

I, have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with a proper balance of Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review, is in compliance with the provisions of the Act read with regulation 25(6) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines and standards.

for **Saurabh Poddar & Associates**
Company Secretaries

(Saurabh Poddar)

Designation: Proprietor

Membership No: FCS 9190

COP No: 10787

PR: 785/2020 dated June 30, 2020

UDIN: F009190F000372971

Place: Hyderabad

Date: May 15, 2024

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
2nd Floor, 3rd Block, My Home Hub,
Madhapur, Hyderabad- 500 081, Telangana.

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 account 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: 785/2020 dated June 30, 2020

UDIN: F009190F000372971

Place: Hyderabad

Date: May 15, 2024

ANNEXURE IV TO THE BOARD'S REPORT

Disclosure of particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2 (Under Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

- 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.
- 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 million)	Date(s) of approval by the Board/:	Amount paid as advances if any:	Justification for entering into contracts
1	Granules USA, Inc. (Wholly-Owned foreign subsidiary)	Sale of goods Purchase of Goods	FY 2023-24	2,482.01 1.04	March 17, 2023	NIL	The transaction is at arm's length price
2	Granules Pharmaceuticals, Inc. (Wholly-Owned foreign subsidiary)	Sale of goods Purchase of Goods	FY 2023-24	9,617.13 165.58	March 17, 2023	NIL	The transaction is at arm's length price
3	Granules Europe Limited (Wholly-Owned foreign subsidiary)	Commission on sales of goods	FY 2023-24	24.75	March 17, 2023	NIL	The transaction is at arm's length price
4	Granules USA, Inc. (Wholly-Owned foreign subsidiary)	Commission on sales of goods	FY 2023-24	127.37	January 22, 2024	NIL	The transaction is at arm's length price
5	Granules Consumer Health, Inc. (GCH), Step-down foreign subsidiary	Sale of goods Purchase of Goods	FY 2023-24	3,155.45 3.67	March 17, 2023 & January 22, 2024	NIL	The transaction is at arm's length price
6	Product Armor Packaging Private Limited	Purchase of Goods	FY 2023-24	303.69	March 17, 2023	NIL	The transaction is at arm's length price
7	Granules Life Sciences Private Limited (Wholly-Owned Indian subsidiary)	Purchase of Goods	FY 2023-24	1.44	January 22, 2024	NIL	The transaction is at arm's length price

On behalf of the Board of Directors

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, May 15, 2024

ANNEXURE V TO THE BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo are required under the Companies (Accounts) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY

During the financial year 2023-24, the Company implemented various initiatives aimed at enhancing energy efficiency and reducing greenhouse gas (GHG) emissions and water usage across its units. These efforts not only led to substantial energy savings but also significantly contributed to environmental sustainability.

One of the key initiatives involved is the replacement of outdated vacuum pumps at Unit-1 at Bonthapally, resulting in a remarkable energy saving of 70,296 KWH. Additionally, the conventional belt-driven blower motors at the Gagillapur unit were replaced with energy-conserving EC blowers, saving 474,272 KWH. Interlocks were added to RT pumps at Unit-1 Bonthapally to automatically shut down when the set temperature is reached, saving 28,244 KWH. Further,

the installation of rooftop solar panels at the Gagillapur unit enabled the generation and utilization of solar energy directly. Implementing the auto cut-off systems for cooling tower fans, installing Variable Frequency Drives (VFDs) on motors, and incorporating automatic tube cleaning systems for chillers are various initiatives resulting in significant energy savings.

All these initiatives led to a total annual energy saving of 915,945 KWH. By purchasing Renewable Energy Certificates (33,000 MWh) and utilizing solar energy, the Company avoided 28,700 MT of GHG emissions, contributing to environmental protection. The overall share of renewable energy at the Company is commendable, with the Gagillapur unit alone achieving 17.98% of renewable energy utilization. Additionally, these energy-saving measures resulted in a notable financial saving of approximately ₹ 12.02 million across all units.

PARTICULARS OF ABSORPTION

TECHNOLOGY ABSORPTION

1. Efforts made toward technology absorption	The R&D Division at Granules is continuously engaged in developing technology-based products and process improvement for the existing products as part of Continuous Quality Improvement (CQ-IP). This technology absorption starts from the pilot level and is scaled up until the commercial level with a focus on innovation, cost-efficient processes, operational efficiency mapping and integrated manufacturing.
2. Benefits derived like product improvement, cost reduction, product development or import substitution	<p>a) Through continuous process improvement, products were ensured to meet the quality requirements for Genotoxic limits as specified by global regulatory bodies.</p> <p>b) Import substitutions through strategic sourcing within India to enable cost efficiency and continuous supply and to avoid supply disruptions.</p> <p>c) Structured programs were enabled for cost improvement of the current products and to overcome the challenge of price erosion.</p>
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	No imported technology
<p>a) Details of technology imported</p> <p>b) Year of import</p> <p>c) Whether the technology has been fully absorbed</p> <p>d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore</p>	

Expenditure Incurred in R&D:

	(₹ in million)	
	FY2023-24	FY2022-23
Capital	90.67	83.63
Recurring	1,328.44	913.54
Total	1,419.11	997.17

Updates on the Research & Development activities of the Company are provided below:

From being known as a leading supplier of APIs and PFI's in bulk, we moved on to become a leading manufacturer of finished dosage forms. Over the years, we have been constantly investing in Research and Development, where our team has been able to passionately translate science and technology into pharmaceutical products and manufacturing processes, meeting global regulatory standards. With experienced and qualified human resources, our R&D capability is the driving force of the current momentum and future growth of the organization. With innovation instilled into the culture of the company at various levels, R&D is a crucial attribute in fostering our vision to become a global leader in the pharmaceutical product development and manufacturing process.

We are augmenting our research capabilities and expanding our product portfolio to address the prospective demand across global markets. From a commercial perspective, our strategic product, process, and market approaches give us a competitive advantage which will enable us to be an integrated player offering both drug substance and the drug product.

2023- 24 – Highlights

In the API division, we filed a total of 39 (6 in FY 23-24) 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, 24 (Certificates of Suitability (“CEPs”) with the European Directorate for the Quality of Medicines (“EDQM”) and 5 European Drug Master Files (“EDMFs”) in Europe, along with other regulatory filings in key regulated markets to support potential customers for ANDA and dossier filings.

- As part of our vertical integration strategy, we intend to file ANDAs for several of these APIs to forward integrate into FDFs.
- As part of our control substances expansion, we have developed 4 APIs towards vertical integration to FD. The products are developed in our control substances lab and validated in unit V.
- As part of the Green initiative, the Bio-catalysis group is actively working on enzymatic processes for APIs and chiral intermediates.

- A fermentation group is created for the development of Peptides and the development of enzymes for Biocatalysis.
- To strengthen our capabilities in crystal morphology studies, we have collaborated with premier institutes like the Indian Institute of Chemical Technology, Hyderabad (IICT) & Indian Institute of Technology (IIT), Hyderabad. This is towards the development of novel polymorphs and improves powder properties of existing products.
- Granules India and the National Institute of Pharmaceutical Education and Research (NIPER) in Mohali Chandigarh, signed a Memorandum of Understanding (MoU), to establish Dr Chigurupati Centre of Excellence in Innovative and Sustainable Pharmaceutical Development (CCE-ISPD).
- This initiative aims to bring sustainability and innovation at the core of pharma research and development. The centre will focus on crucial areas such as exploring plant-based excipients, advancements in polymer-free pharma formulations, innovative methods in producing directly compressible crystals, promotion of solvent-free pharma processes, and the development of resource-efficient and energy-efficient pharma products.
- The Chigurupati Centre of Excellence in Innovative and Sustainable Pharmaceutical Development at NIPER SAS Nagar Mohali embodies the collective determination to confront climate change within the pharmaceutical industry. Through collaboration, innovation, and unwavering commitment, this initiative heralds a new era of sustainability, where healing and environmental stewardship go hand in hand. Together, we forge a path towards a healthier, more sustainable world.
- Towards the Journey to build Granules intellectual property assets, we have filed Ninety-five (95) patent applications in total and currently hold ten granted patents. During the year under review, we filed ten (10) patent applications in India and one international application.

In the finished dosage form division, we filed 77 (7 in FY 23-24) ANDAs with the U.S. FDA of which 62 ANDAs have been approved and 15 are under review. We continued to leverage our ANDA filing into other markets outside the US. In the European region, we filed 12 applications (1 in FY 23-24) of which 11 are approved and 1 is under review. In Canada,

we filed 7 applications of which 6 were approved. A total of 15 applications (5 in FY 23-24) was filed in other markets (South Africa, Belarus, Israel, Saudi and India) of which 7 were approved and 8 are under review.

Granules received 9 ANDA approvals from USFDA in the financial year (2023-2024). These on-time approvals exemplify the quality of our ANDA filings. We also received approval for 03 marketing authorization applications in the European region and 01 application in Canada.

Way Forward

We will continue to leverage our knowledge and experience in our core products to expand them into new markets and dosage forms. This would not only help us to bring economies

of scale, but also, mitigate market-concentrated risk. Steps have been taken in this direction during this financial year, and as an outcome, we filed three dossiers in the European market and working to file additional markets in the coming year.

We will continue to identify and develop complex products with limited competition and bring process efficiencies for our existing products to have a competitive advantage in the market. Looking forward to bringing considerable progress in our technical capabilities to achieve a higher number of regulatory filings. Thus, bringing focus on our R&D activities will enhance our product registrations and filings across a diversified product portfolio for the key markets, as well as strengthen our global presence.

TOTAL FOREIGN EXCHANGE EARNED AND USED

Particulars	(₹ in million)	
	FY 2023-24	FY 2022-23
Foreign Exchange Earnings	35,545.21	36,525.77
Foreign Exchange Outgo	10,083.56	14,119.61

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 2023-24:

Sl. No.	Name of the Director/KMP	Designation	% increase in remuneration in the FY 2023-24	Ratio of remuneration of each Director / KMP to the median remuneration of employees
1	Dr. Krishna Prasad Chigurupati	Chairman & Managing Director	(10.52)	673.14
2	Dr. Kandiraju Venkata Sitaram Rao	Joint Managing Director & CEO	2.10	205.41
3	Mrs. Uma Devi Chigurupati	Executive Director	(10.53)	67.31
4	Mr. Harsha Chigurupati	Executive Director	(10.53)	67.31
5	Ms. Priyanka Chigurupati(1)	Executive Director	N.A.	N.A.
6	Mr. K. B. Sankar Rao	Non-Executive, Non-Independent Director	(11.45)	8.16
7	Mr. Arun Rao Akinepally	Non-Executive, Independent Director	(13.69)	8.67
8	Mr. Arun Sawhney	Non-Executive, Independent Director	(8.68)	8.86
9	Dr. Saumen Chakraborty	Non-Executive, Independent Director	(11.39)	7.88
10	Mrs. Sucharita Rao Palepu	Non-Executive, Independent Director	(12.62)	7.16
11	Mr. Kapil Kumar Mehan(1)	Non-Executive, Independent Director	N.A.	N.A.
12	Dr. Sethurathnam Ravi(1)	Non-Executive, Independent Director	N.A.	N.A.
13	Mr. Rajiv Pritidas Kakodkar(1)	Non-Executive, Independent Director	N.A.	N.A.
14	Mr. Mukesh Surana (1)	Chief Financial Officer	N.A.	64.47
15	Ms. Chaitanya Tummala (3)	Company Secretary	4.44	10.00

- (1) The remuneration paid in FY 23-24 is not comparable with the previous year.
- (2) Non-Executive Directors were paid a commission on profits and sitting fees for attending the Board and Committee Meetings of the Company.
- (3) Excludes the value of stock options.
- ii) The median remuneration of employees increased by 5 % in the financial year 2023-24.
- iii) The number of permanent employees on the rolls of the Company as of March 31, 2024, is 4,122.
- iv) The average percentage increase in the salaries of employees other than managerial personnel for the financial year 2023-24 was 10.20 % as compared to the financial year 2022-23. There was a decrease of 0.66% in the total remuneration of Executive Directors and KMP for the financial year 2023-24.
- v) It is hereby confirmed that the remuneration to the Directors and KMP for the financial year 2023-24 is as per the performance evaluation and remuneration policy of the Company.

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director
DIN: 00020180

Hyderabad, May 15, 2024

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 being managed in a manner that ensures accountability, transparency, and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meeting the aspirations of all our stakeholders.

The essence of Corporate Governance lies in promoting and maintaining 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 seven Committees to discharge its responsibilities effectively and efficiently. The Company Secretary at Granules acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Chairman and Managing Director (CMD) provide overall direction and guidance to the Board. Concurrently, the CMD is responsible for the overall implementation of decisions and policies. In the operations and functioning of the Company, the CMD is assisted by the Joint Managing Director & CEO, Executive Directors, and a core group of senior-level executives.

Board Leadership

During the year the Board consists of thirteen Directors, comprising (i) Five Executive Directors, including the Chairman of the Board (ii) One Non-Executive Director and (iii) Seven Independent Directors. The tenure of one of the Independent Directors concluded on March 31, 2024. Currently, the Board consists of twelve Directors out of which six are Independent. At Granules, it is believed that an experienced Board consciously creates a culture of leadership which in turn 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
- ▶ 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, 2024, the Board of Directors comprised thirteen Directors, of which eight are Non-executive Directors and the composition of the Board and category of Directors are as follows:

Sl. No.	NAME OF THE DIRECTOR	CATEGORY
1	Dr. Krishna Prasad Chigurupati* Chairman & Managing Director DIN – 00020180	Non-Independent, Executive
2.	Dr. Kandiraju Venkata Sitaram Rao Joint Managing Director & CEO DIN-08874100	Non-Independent, Executive
3.	Mrs. Uma Devi Chigurupati* DIN – 00737689	Non-Independent, Executive
4.	Mr. Harsha Chigurupati* DIN – 01606477	Non-Independent, Executive
5.	Mrs. Priyanka Chigurupati*(2) DIN-01793431	Non-Independent, Executive
6.	Mr. Kolli Basava Sankar Rao DIN – 05167550	Non-Independent, Non-Executive
7.	Mr. Arun Rao Akinepally (4) DIN – 00876993	Independent, Non-Executive
8.	Mr. Arun Sawhney DIN – 01929668	Independent, Non-Executive
9	Dr. Saumen Chakraborty DIN-06471520	Independent, Non-Executive
10	Mrs. Sucharita Rao Palepu DIN – 078077178	Independent, Non-Executive
11	Mr. Kapil Kumar Mehan DIN-01215092	Independent, Non-Executive
12	Dr. Sethurathnam Ravi (1) DIN-00009790	Independent, Non-Executive
13	Mr. Rajiv Pritidas Kakodkar (3) DIN-01519590	Independent, Non-Executive

*Promoter Director

(1) Dr. Sethurathnam Ravi was appointed as a member of the Board with effect from January 23, 2024.

(2) Mrs. Priyanka Chigurupati was appointed as a member of the Board with effect from January 23, 2024.

(3) Mr. Rajiv Pritidas Kakodkar was appointed as a member of the Board with effect from February 20, 2024.

(4) Mr. Arun Rao Akinepally ceased to be a member of the Board on completion of his tenure on March 31, 2024.

Mrs. Uma Devi Chigurupati is the spouse of Dr. Krishna Prasad Chigurupati. Mr. Harsha Chigurupati and Mrs. Priyanka Chigurupati are the son & daughter of Dr. Krishna Prasad Chigurupati & Mrs. Uma Devi Chigurupati. None of the other Directors are related to any other Director on the Board.

During the financial year 2023-24, 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 at a sperate section of this report and also 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, 2024.

Mr. Arun Rao Akinepally was the Lead Independent Director during the financial year 2023-24. Upon the completion of the tenure of Mr. Arun Rao Akinepally as an Independent Director, the Independent Directors elected Mr. Arun Sawhney as the Lead Independent Director of the Company with effect from April 01, 2024.

Meetings of Independent Directors

The Company's Independent Directors met four times during the financial year 2023-24 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 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 seven Committees, namely Audit Committee, Nomination and Remuneration Committee, Share Transfer and Stakeholders Relationship Committee, Sustainability & Corporate Social Responsibility Committee, Risk Management Committee, Business Review Committee and Growth Opportunities Evaluation & Investment Committee. The Board is authorized to form additional functional Committees, from time to time, depending on business needs and the framework of the law for the time being in force.

Scheduling and Selection of Agenda Items for Board and Committee Meetings

A minimum of four pre-scheduled Board meetings are held annually, once in each quarter *inter alia* to review the financial results of the Company. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed through circulation.

The Board / Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee

meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and ensure meaningful participation in the meetings.

The schedule of meetings and their agenda is finalized in consultation with the Chairman of the Board, Chairpersons of the Committees of the Board and the Lead Independent Director and agendas are circulated in advance with detailed notes and appropriate presentations covering finance, marketing, operations, research & developments, an overview of business operations of the subsidiary Companies, global business environment, the Company's business opportunities and strategy and risk management practices.

The meetings are generally held at the registered office of the Company situated at the 2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad – 500 081 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, auditor's 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;
- ▶ Appointment of Internal Auditors and Secretarial Auditors;
- ▶ 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.;
- ▶ Recommending appointment of and fixing of the remuneration of the Auditors as recommended by the Audit Committee;
- ▶ Internal Audit findings and External 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 and joint venture Companies;
- ▶ Related party transactions;
- ▶ Status of business risk exposures, its management and related action plans;
- ▶ Making of loans and investment of surplus funds;
- ▶ Borrowing of monies, giving guarantees, or providing security in respect of loan;
- ▶ Brief on statutory developments and changes in government policies, among others with the impact thereof;
- ▶ Details of litigations, prosecutions, etc.;
- ▶ Compliance Certificate certifying compliance with all laws as applicable to the Company and
- ▶ Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.

Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records the minutes of proceedings of each Board and Committee meeting. The draft minutes are circulated to the Board / Committee members for their comments thereon as prescribed under Secretarial Standard-1. The minutes are entered in the minutes book within 30 days from the conclusion of the meeting.

Post-Meeting Follow-up Mechanism

Important decisions taken and suggestions made by the Board and its Committees are promptly communicated to the relevant functional departments. Action taken/ status reports on decisions/ suggestions of the previous meeting(s) are followed up and placed at the succeeding meetings for information and further recommended actions, if any.

Compliance

The Company Secretary, while preparing the agenda, notes to the agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

Statutory Compliance Monitoring Tool

The Company has in place a web-based Statutory Compliance Monitoring Tool which has been implemented to streamline and manage compliance tracking of all the statutory & legal compliances needed to be followed by the Company and provides the necessary assurance to the Board.

Number of Board meetings

Six (6) Board meetings were held during the year, as against the minimum requirement of four meetings. The details of the Board meetings held are given below:

Date	Board Strength	No. of Directors Present
May 16, 2023	9	9
August 09, 2023	10	10
November 09, 2023	10	10
January 23, 2024	10	10
March 06, 2024	13	11
March 29, 2024	13	12

Attendance and Directorship & Committee positions in other Companies:

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year April 2023 – March 2024 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 2023-24		Number of Directorships in other Public Companies (1)	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies as on 31-03-2024 (2)
		Board	AGM		
Dr. Krishna Prasad Chigurupati Chairman & Managing Director DIN – 00020180	Non-Independent, Executive	6	Yes	NIL	NIL
Dr. Kandiraju Venkata Sitaram Rao DIN-08874100	Non-Independent, Executive	6	Yes	NIL	NIL
Mr. Harsha Chigurupati DIN – 01606477	Non-Independent, Executive	6	Yes	NIL	NIL
Mrs. Uma Devi Chigurupati DIN – 00737689	Non-Independent, Executive	4	Yes	NIL	NIL
Mrs. Priyanka Chigurupati(2) DIN-01793431	Non-Independent, Executive	2	N.A.	NIL	NIL
Mr. Kolli Basava Sankar Rao DIN – 05167550	Non-Independent, Non-Executive	6	Yes	NIL	NIL
Mr. Arun Rao Akinepally(4) DIN – 00876993	Independent, Non-Executive	6	Yes	NIL	NIL
Mr. Arun Sawhney DIN – 01929668	Independent, Non-Executive	6	Yes	NIL	NIL
Dr. Saumen Chakraborty DIN-06471529	Independent, Non-Executive	6	Yes	1 (One)	1 (1 as Chairman)
Mrs. Sucharita Rao Palepu DIN- 07807717	Independent, Non-Executive	5	Yes	NIL	NIL
Mr. Kapil Kumar Mehan DIN-01215092	Independent, Non-Executive	5	Yes	1(One)	NIL
Dr. Sethurathnam Ravi(1) DIN-00009790	Independent, Non-Executive	2	N.A.	8 (Eight)	7 (2 as Chairman)
Mr. Rajiv Pritidas Kakodkar(3) DIN-01519590	Independent, Non-Executive	2	N.A.	1 (One)	NIL

Note:

- (1) Dr. Sethurathnam Ravi was appointed as a member of the Board with effect from January 23, 2024.
- (2) Mrs. Priyanka Chigurupati was appointed as a member of the Board with effect from January 23, 2024.
- (3) Mr. Rajiv Pritidas Kakodkar was appointed as a member of the Board with effect from February 20, 2024.
- (4) Mr. Arun Rao Akinepally ceased to be a member of the Board on completion of his tenure on March 31, 2024.
- (5) The directorships held by Directors as mentioned above, do not include directorships in foreign Companies.
- (6) 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.
- (7) None of the Directors holds Directorships in more than 7 (Seven) listed entities.

Names 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 as of 31-03-2024
1	Dr. Krishna Prasad Chigurupati	Nil	-
2	Dr. Kandiraju Venkata Sitaram Rao	Nil	-
3	Mr. Harsha Chigurupati	Nil	-
4	Mrs. Uma Devi Chigurupati	Nil	-
5	Mrs. Priyanka Chigurupati	Nil	-
6	Mr. Kolli Basava Sankar Rao	Nil	-
7	Mr. Arun Rao Akinepally	Nil	-
8	Mr. Arun Sawhney	Nil	-
9	Dr. Saumen Chakraborty	1 (One)	Independent Director at • Krishna Institute of Medical Sciences Limited
10	Mrs. Sucharita Rao Palepu	Nil	-
11	Mr. Kapil Kumar Mehan	Nil	-
12	Dr. Sethurathnam Ravi	4 (Four)	Independent Director at • PCBL Limited • Spacenet Enterprises India Limited • Usha Martin Limited • Tourism Finance Corporation of India Limited
13	Mr. Rajiv Pritidas Kakodkar	1(One)	Independent Director at Vasundhara Rasayans Limited

Shares held by Non-Executive Directors:

The number of equity shares of the Company held by Non-Executive Directors, as of March 31, 2024 are as follows:

Sl. No.	Name of Non-Executive Director	No. of shares held	Percentage of paid-up capital
1.	Mr. Arun Rao Akinepally (holding along with his spouse)*	2,77,930	0.11
2.	Mr. Kolli Basava Sankar Rao (holding along with his spouse)	39,22,755	1.62
3.	Mr. Arun Sawhney	Nil	Nil
4.	Dr. Saumen Chakraborty	Nil	Nil
5.	Mrs. Sucharita Rao Palepu	Nil	Nil
6.	Mr. Kapil Kumar Mehna	Nil	Nil
7.	Dr. Sethurathnam Ravi	Nil	Nil
8.	Mr. Rajiv Pritidas Kakodkar (holding along with his spouse)	6,000	0.00

Note: Mr. Arun Rao Akinepally ceased to be a member of the Board on completion of his tenure on March 31, 2024.

Core Skills / Expertise / Competencies of the Board of Directors

The Board is comprised of qualified members who possess the required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills/expertise/competencies have been identified for the effective functioning of the Company and are currently available with the Board:

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

Sl. No.	Name of the Director	Skills & expertise					
		Leadership and Strategic Planning	Industry Experience	Global Business	Operations and Research & Development	Finance	Human Resources
1	Dr. Krishna Prasad Chigurupati	✓	✓	✓	✓	✓	✓
2	Dr. Kandiraju Venkata Sitaram Rao	✓	✓	✓	✓	✓	✓
3	Mrs. Uma Devi Chigurupati	✓	✓	✓		✓	✓
4	Mr. Harsha Chigurupati	✓	✓	✓	✓	✓	✓
5	Mrs. Priyanka Chigurupati	✓	✓	✓	✓	✓	✓
6	Mr. Kolli Basava Sankar Rao	✓	✓	✓	✓	✓	✓
7	Mr. Arun Rao Akinepally	✓	✓	✓	✓	✓	✓
8	Mr. Arun Sawhney	✓	✓	✓	✓	✓	✓
9	Dr. Saumen Chakraborty	✓	✓	✓	✓	✓	✓
10	Mrs. Sucharita Rao Palepu	✓		✓		✓	✓
11	Mr. Kapil Kumar Mehan	✓	✓	✓	✓	✓	✓
12	Dr. Sethurathnam Ravi	✓	✓	✓		✓	✓
13	Mr. Rajiv Pritidas Kakodkar	✓	✓	✓	✓	✓	✓

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of the Committees are placed before the Board for review. The Chairman of the Committees apprises periodically about the working of the Committees to the Board. The Board has currently established the following statutory and non-statutory committees:

Audit Committee

The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting to ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The Committee oversees the work carried out by the management, statutory auditors and internal auditors about the financial reporting process and the safeguards employed by them.

The Committee comprises four members, with a majority being Independent Directors. The composition, procedures, powers and role of the Committee constituted by the Board comply with the requirements of section 177 of the Companies Act, 2013 and regulation 18 of the Listing Regulations. The terms of reference of the Committee are broadly as under:

- a. Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- b. Recommending the appointment and removal of statutory auditors, internal auditors and cost 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 whistleblower 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 2023 – March 2024, 5 (Five) Committee meetings were held. The dates on which the said meetings were held are May 15, 2023, August 08, 2023, November 08, 2023, January 22, 2024 and March 29, 2024. The Committee at its meeting held on May 15, 2023, had considered the audited annual accounts for the FY 22-23.

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 2023–2024	
		Held	Attended
Dr. Saumen Chakraborty, Chairman	Independent, Non-Executive	05	05
Mr. Arun Sawhney	Independent, Non-Executive	05	05
Mr. Arun Rao Akinepally	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 32nd Annual General Meeting of the Company held on August 10, 2023.

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.

The Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Dr. Saumen Chakraborty, Independent Director (Chairman)
- ▶ Mr. Arun Sawhney, Independent Director
- ▶ Dr. Sethurathnam Ravi, Independent Director
- ▶ Dr. Krishna Prasad Chigurupati, Chairman & Managing Director

Nomination & Remuneration Committee

The role of the Committee is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The Committee evaluates the performance of Directors and Senior Management Personnel and recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company. It has also worked with management to review the organization 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 23-24 comprises three Non-Executive Independent

Directors and the Chairman of the Company as members. Mr. Arun Sawhney, Independent Director, is the Chairman of the Committee.

5 (five) meetings of the Committee were held during the financial year 2023 – 2024. The dates on which the said meetings were held are May 15, 2023, June 06, 2023, July 19, 2023, November 08, 2023 and January 22, 2024. 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 2023–2024	
		Held	Attended
Mr. Arun Sawhney, Chairman	Independent, Non-Executive	05	05
Mr. Arun Rao Akinapally	Independent, Non-Executive	05	05
Dr. Saumen Chakraborty	Independent, Non-Executive	05	05
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	05	05

Mr. Arun Sawhney, Chairman of the Committee was present at the 32nd Annual General Meeting of the Company held on August 10, 2023.

The Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Mr. Arun Sawhney, Independent Director (Chairman)
- ▶ Dr. Saumen Chakraborty, Independent Director
- ▶ Mr. Kapil Kumar Mehan, Independent Director

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 interest of the shareholders. The Committee ensures cordial investor relations and oversees the mechanism for the redressal of investors' grievances. The Committee's composition and terms of reference comply with the provisions of section 178 of the Companies Act, 2013 and regulation 20 of the Listing Regulations. The terms of reference of the Committee *inter alia*, are as under:

- a. Resolving the grievances of the shareholders.
- b. Reviewing details of the transfer of unclaimed dividend/ equity shares to the Investor Education and Protection Fund Authority.
- c. Reviewing the transmission, de-materialization/re-materialization and issue of duplicate share certificates of the Company's shares.

- d. Reviewing adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent.
- e. Ensuring timely receipt of dividend/annual reports/statutory notices by the shareholders of the Company.

2 (Two) Meetings of the Committee were held during the financial year April 2023- March 2024. The composition of the Committee during the year April 2023 – March 2024 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Arun Rao Akinapally, Chairman	Independent, Non-Executive	02	02
Mrs. Uma Devi Chigurupati	Non-Independent, Executive	02	02
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	02	02

Mr. Arun Rao Akinapally, Chairman of the Committee was present at the 32nd Annual General Meeting of the Company held on August 10, 2023.

The Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Mr. Kapil Kumar Mehan, Independent Director (Chairman)
- ▶ Dr. Krishna Prasad Chigurupati, Chairman & Managing Director
- ▶ Mrs. Uma Devi Chigurupati, Executive Director

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 2023-24, 0 (ZERO) complaints were received from the shareholders and all the grievances were redressed within an average time of 7 days and no complaint is pending as of March 31, 2024.

Sustainability & Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programs. The scope of the Committee also includes approving the budget for CSR activities, reviewing the CSR programs, formulation of annual action plan and monitoring CSR spending.

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:

- a. 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;
- b. 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.
- c. Recommend the amount to be spent on CSR activities and review reports on the performance of CSR;

1 (One) meeting of the Committee was held during the financial year April 2023- March 2024. The composition of the Committee during the year April 2023 – March 2024 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mrs. Uma Devi Chigurupati, Chairperson	Non-Independent, Executive	01	01
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	01	01
Mr. Arun Rao Akinepally	Independent, Non-Executive	01	01

The name of the Corporate Social Responsibility Committee has been changed to the Sustainability & Corporate Social Responsibility Committee of the Board to carry out the CSR-related objectives and to supervise sustainability governance for the Company viz., for setting strategic objectives, overseeing performance, and ensuring alignment with the corporate values & goals and to provide leadership and guidance on sustainability initiatives, ensuring they are integrated into the business strategy of the Company.

The Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Mrs. Uma Devi Chigurupati, Executive Director (Chairperson)
- ▶ Dr. Krishna Prasad Chigurupati, Chairman & Managing Director
- ▶ Mr. Rajiv Pritidas Kakodkar, Independent Director
- ▶ Mrs. Sucharita Rao Palepu, Independent Director

The CSR Policy of the Company is available on the website of <https://granulesindia.com/wp-content/uploads/pdf/other-information/8328CSR%20Policy.pdf>

Risk Management Committee

The Committee was constituted by the Board of Directors with its prime responsibility to implement and monitor the risk management plan and policy of the Company. The Committee's composition and terms of reference comply with the provisions of regulation 21 of the Listing Regulations as

amended from time to time. The terms of reference of the Committee *inter alia*, are as under:

- a. Review the detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- b. Monitor and oversee 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.

3 (Three) Meetings of the Committee were held during the financial year April 2023- March 2024. The composition of the Committee during the year April 2023 – March 2024 and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Harsha Chigurupati, Chairman	Non-Independent, Executive	03	02
Mr. K.B. Sankar Rao	Non-Independent, Non-Executive	03	03
Mr. Arun Sawhney	Independent, Non-Executive	03	03
Mrs. Uma Devi Chigurupati	Non-Independent, Executive	03	01

The Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Mr. Kapil Kumar Mehan, Independent Director (Chairman)
- ▶ Dr. Sethurathnam Ravi, Independent Director
- ▶ Mr. K.B. Sankar Rao, Non-Executive Director
- ▶ Dr. Krishna Prasad Chigurupati, Chairman & Managing Director
- ▶ Dr. KVS Ram Rao, Joint Managing Director & CEO

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. 07 (Seven) meetings of the Committee were

held during the financial year April 2023 - March 2024. 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 2023-24	
		Held	Attended
Mr. K.B. Sankar Rao, Chairman	Non-Independent, Non-Executive	07	07
Mr. Arun Rao Akinepally	Independent, Non-Executive	07	07
Mr. Arun Sawhney	Independent, Non-Executive	07	07
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	07	07

The Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Mr. K.B. Sankar Rao, Non-Executive Director (Chairman)
- ▶ Mr. Arun Sawhney, Independent Director
- ▶ Mr. Rajiv Pritidas Kakodkar, Independent Director
- ▶ Dr. Krishna Prasad Chigurupati, Chairman & Managing Director
- ▶ Mrs. Priyanka Chigurupati, Executive Director

Growth Opportunities Evaluation & Investment Committee

The Board Constituted a Growth Opportunities Evaluation Committee to guide the management for exploring various inorganic growth opportunities.

03 (Three) meetings of the Committee were held during the financial year April 2023 - March 2024. 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 2023-24	
		Held	Attended
Mr. K.B. Sankar Rao, Chairman	Non-Independent, Non-Executive	03	03
Mr. Arun Sawhney	Independent, Non-Executive	03	03
Dr. Krishna Prasad Chigurupati	Non-Independent, Executive	03	03

Details of remuneration paid to the Executive Directors during the FY 23-24

Name	Salary		Perquisites	Commission	Total
	Fixed	Variable			
Dr. Krishna Prasad Chigurupati Chairman & Managing Director	18.01	-	1.56	296.80	316.37
Dr. Kandiraju Venkata Sitaram Rao Joint Managing Director & CEO	65.92	30.63	-	-	96.55
Mr. Harsha Chigurupati Executive Director	6.01	-	0.03	25.60	31.64
Mrs. Uma Devi Chigurupati Executive Director	2.34	-	0.08	29.22	31.64

(₹ in million)

The name of the Growth Opportunities Evaluation Committee has been changed to the Growth Opportunities Evaluation & Investment Committee of the Board by dissolving the Investment Committee and the Committee of the Board was reconstituted with the following members with effect from April 01, 2024:

- ▶ Mr. K.B. Sankar Rao, Non-Executive Director (Chairman)
- ▶ Mr. Arun Sawhney, Independent Director
- ▶ Mr. Rajiv Pritidas Kakodkar, Independent Director
- ▶ Dr. Krishna Prasad Chigurupati, Chairman & Managing Director
- ▶ Dr. KVS Ram Rao, Joint Managing Director & CEO
- ▶ Mrs. Priyanka Chigurupati, Executive Director

DIRECTORS' REMUNERATION

Performance Evaluation & Remuneration Policy

The Company has formulated a Performance Evaluation & Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel and is available on the website of the Company at <https://granulesindia.com/wp-content/uploads/pdf/performance-evaluation-and-remuneration-policy.pdf>. The Company's remuneration policy is directed towards rewarding performance based on a review of achievements periodically.

Further, the policy contains the criteria for performance evaluation of Independent Directors, the Board and other individual Directors. The criteria for performance evaluation cover the areas relevant to the functioning of the Independent 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.

Service Contract, Severance Fees, and Notice Period

Terms of Agreement	Dr. Krishna Prasad Chigurupati	Dr. Kandiraju Venkata Sitaram Rao	Mr. Harsha Chigurupati	Mrs. Uma Devi Chigurupati	Mrs. Priyanka Chigurupati
Period of Contract	5 years up to August 31, 2024	5 years up to January 04, 2027	5 years up to August 28, 2024	5 years up to May 30, 2027	5 years up to January 22, 2029
Severance fees/notice period	Six Months	Six Months	Six Months	Three Months	Six Months
There is no separate provision for payment of severance fees.					

Details of remuneration paid to Non-Executive Directors during the FY 23-24

During the FY 23-24, the Company paid sitting fees of ₹ 40,000 per meeting to the Non-Executive Directors for attending each meeting of the Board and Business Review Committee and ₹ 30,000 per meeting for attending each meeting of the other Committees of the Board.

The Members at the Annual General Meeting of the Company held on July 27, 2022 approved the payment of commission to each Non-Executive Director at a rate of 0.05% per annum with a maximum limit of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said 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 23-24 and the commission paid/provided during the period under review:

Name	₹ in million	
	Sitting fee	Commission
Mr. Kolli Basava Sankar Rao	0.67	3.16
Mr. Arun Rao Akinepally	0.91	3.16
Mr. Arun Sawhney	1.00	3.16
Dr. Saumen Chakraborty	0.54	3.16
Mrs. Sucharita Rao Palepu	0.20	3.16
Mr. Kapil Kumar Mehan(1)	0.20	2.86
Dr. Sethurathnam Ravi(2)	0.08	0.55
Mr. Rajiv Pritidas Kakodkar(3)	0.08	0.32

(1) Mr. Kapil Kumar Mehan was appointed as a member of the Board of the Company with effect from May 16, 2023.

(2) Dr. Sethurathnam Ravi was appointed as a member of the Board of the Company with effect from January 23, 2024.

(3) Mr. Rajiv Pritidas Kakodkar was appointed as a member of the Board of the Company with effect from February 20, 2024.

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
32 nd	2022-23	Held Through VC/OAVM	10/08/2023	03.30 PM	2
31 st	2021-22	Held Through VC/OAVM	27/07/2022	03:00 PM	2
30 th	2020-21	Held Through VC/OAVM	05/08/2021	03:00 PM	0

Extraordinary General Meetings

No Extra-Ordinary General Meetings of the members of the Company were held during the period under review and during the three preceding financial years.

POSTAL BALLOT

For the year ended March 31, 2024 three resolutions were passed through postal ballot. Further, there is no immediate proposal for passing any resolution through the Postal Ballot process.

The details of Postal Ballot resolutions of the preceding three years are as under:

Financial Year	Date	Number of special resolutions passed
2023-24	02/04/2024	3
2021-22	24/02/2022	2

DISCLOSURES

i) Related party transactions

All related party transactions that were entered into during FY 23-24 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 related parties are disclosed in the notes to accounts.

The Policy on Related Party Transactions as approved by the Board is placed on the website of the Company at <https://granulesindia.com/wp-content/uploads/2022/03/Granules-Related-Party-Transactions-Policy.pdf>

ii) Details of non-compliance etc.

The Company complied with the requirements of the Stock Exchanges, the SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures were imposed on the Company by any of these authorities during the last three years.

iii) Disclosure of accounting treatment

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under Sec 133 of the Companies Act, 2013 and other relevant provisions of the Act.

iv) Whistleblower policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. 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 Whistle-Blower Policy of the Company. During the year under review, no personnel of the Company were denied access to the Audit Committee.

Whistle-Blower Policy of the Company is placed on the website of the Company at <https://granulesindia.com/wp-content/uploads/2022/06/Granules-India-Limited-whistle-blower-policy.pdf>

v) Risk management

The Company has a risk management procedure in place which is 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 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 is placed 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, 2024. A declaration to this effect signed by the Joint Managing Director & Chief Executive Officer is given as an annexure to this report. The code is placed on the website of the Company at <https://granulesindia.com/wp-content/uploads/pdf/other-information/Code-of-Conduct-for-Board-and-SMP.pdf>.

viii) CEO and CFO certification

The Joint Managing Director & Chief Executive Officer and the Chief Financial Officer have certified to the Board regarding the compliance of matters specified in regulation 17(8) read with Part B of Schedule II of the Listing Regulations and is given as an annexure to this report. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 15, 2024.

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 utilization of funds raised through preferential allotment or qualified institutional placement

The Company has not raised any funds through preferential allotment or qualified institutional placement during the financial year ended on March 31, 2024.

xii) Acceptance of the recommendations of the Committees by the Board of Directors

All the recommendations of the Committees were accepted by the Board of Directors of the Company during the financial year 2023-24.

xiii) Details of fees paid to the statutory auditors

Given below are the details of fees paid to M/s. SR 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, 2024:

Sl. No	Payments to the Statutory Auditors (excluding taxes)	Fees paid in (₹ in million)
1	Fees for Audit and related services	14.19
2	Fees for Non-Audit services	5.20
Total		19.39

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 USA, Inc.	March 05, 2003 in the state of Delaware, USA	M/s. SR Batliboi & Associates LLP	With effect from April 1, 2023
2.	Granules Pharmaceuticals, Inc.	October 21, 2014 in the state of Delaware, USA	M/s. SR Batliboi & Associates LLP	With effect from April 1, 2023

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) Familiarization programs for Board members

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize 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, global business environment, business strategy and risks involved. Details of the familiarization programs imparted to Independent Directors are placed on the website of the Company at <https://granulesindia.com/investors/other-information/>

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	Nil
2	Number of complaints disposed of during the year	Nil
3	Number of cases pending as of March 31, 2024	Nil

xviii) Prevention of insider trading

In accordance with the requirements of SEBI (Insider Trading) Regulations, 2015, the Company has formulated a code of conduct for the prohibition of Insider Trading in the Company's Shares. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company.

xix) Commodity price risks/foreign exchange risk and hedging activities

The Company is not carrying on any Commodity Business. The appropriate disclosure of foreign exchange risk and hedging activities is given in note 2 a (v) of the notes to the standalone financial statements.

xx) Loans & Advances

The Company and its subsidiaries have not granted loans and advances in the nature of loans to firms/ Companies in which Directors of the Company are interested.

xxi) The Disclosures of the compliance with Corporate Governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows

Regulations	Particular of Regulations	Compliance Status Yes/ No/N.A.
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 March 31, 2024:

Name	Designation
Mrs. Priyanka Chigurupati(1)	Executive Director & Head of Marketing
Mr. Mukesh Surana	Chief Financial Officer
Mrs. Chaitanya Tummala	Company Secretary
Mr. Atul Dhavle (2)	Chief Human Resources Officer
Mr. P.V. Srinivas	Chief Technology Officer - Head of R&D
Mr. Anil Arora	President – Operations-Formulations
Mr. Sanjay Kumar	President and Chief Strategy & Sustainability Officer
Mr. G.N. Prashanth	Senior Vice President-Head of Quality
Mr. Sethu Madhavan Sankaran(3)	Senior Vice President-Head of API operations
Mr. Riaz Ahmed	Senior Vice President-Head of Supply Chain Management
Mr. B. Krishna Mohan	Vice-President -Head of IT

- (1) Mrs. Priyanka Chigurupati was appointed w.e.f. January 23, 2024.
- (2) Mr. Atul Dhavle was appointed w.e.f. March 11, 2024.
- (3) Mr. Sethu Madhavan Sankaran was appointed w.e.f. March 29, 2024
- (4) Mrs. Uma Rao G ceased to be CHRO & SMP of the Company w.e.f. closing hours of January 31, 2024.
- (5) Mr. J. Shravan Reddy ceased to be Senior Vice President & Head- API Manufacturing & SMP of the Company w.e.f. closing hours of March 05, 2024.

xxiii) Disclosure of certain types of agreements binding the Company

There are no agreements entered into by the shareholders or promoters or promoter group entities or related parties or Directors or key managerial personnel or 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 the same are simultaneously displayed on the Company's website as well; All the releases can be accessed on the website of the Company 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 are 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 redress system (SCORES)

The investor complaints are processed in a centralized web-based complaints redress 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.

33rd Annual General Meeting

Date: August 06, 2024

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, 2024 to August 06, 2024 (both days inclusive)

Dividend Payment

The final dividend for the financial year 2023-24, if declared, shall be paid /credited on or before September 04, 2024.

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 2024-25 have been paid by the Company to BSE and NSE.

The tentative calendar for the financial year 2024-2025

The tentative dates of the meeting of the Board of Directors for consideration of quarterly financial results for the financial year 2024-2025 are as follows:

Results	Tentative Dates
First quarter	Fourth week of July, 2024
Second quarter and half-yearly	Fourth week of October 2024
Third quarter	Fourth week of January 2025
Fourth quarter and annual	Fourth week of May 2025

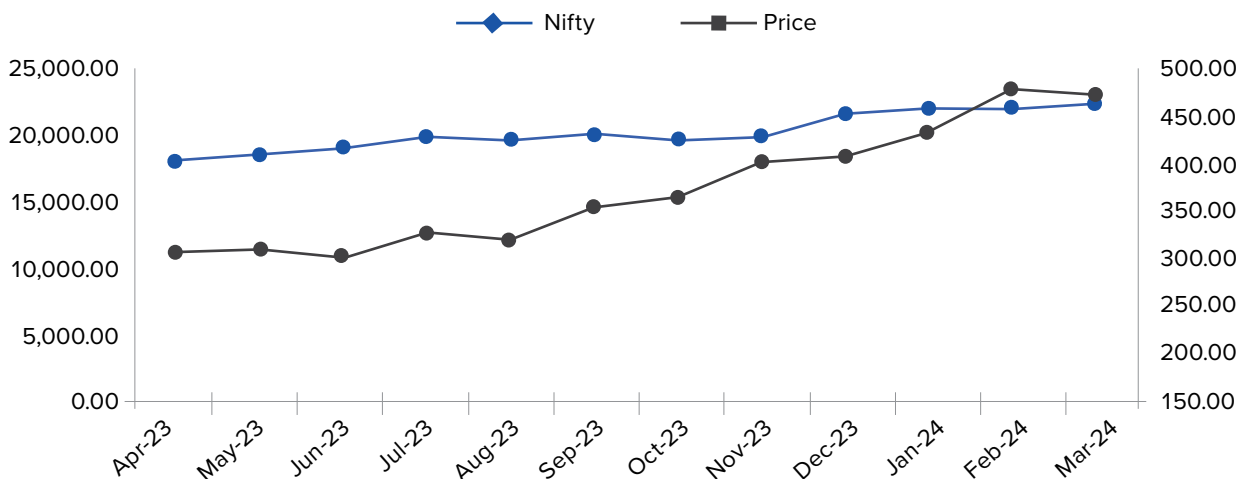
Stock Market Price Data

High, low (based on the closing prices) and the number of shares traded during each month in the last financial year on BSE and NSE were as follows:

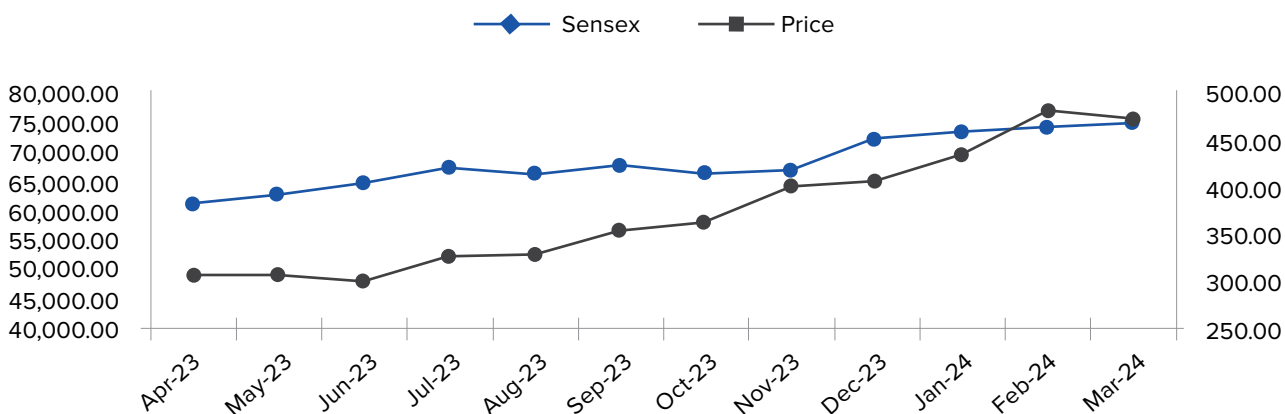
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-23	306.45	288.20	11,00,752	306.50	288.40	1,36,52,355
May-23	309.60	272.00	13,61,970	309.80	272.35	3,09,42,063
Jun-23	302.65	275.30	12,53,862	302.60	275.25	2,79,76,806
Jul-23	326.95	294.15	30,04,085	326.90	294.20	5,01,04,015
Aug-23	330.95	287.55	20,06,859	320.30	287.70	3,63,28,637
Sep-23	356.00	298.15	26,98,083	356.00	298.25	5,24,38,819
Oct-23	365.00	319.20	9,54,630	365.25	318.95	2,14,39,170
Nov-23	404.05	322.40	17,81,908	404.00	322.75	4,49,79,305
Dec-23	409.85	365.70	18,49,886	410.00	365.45	3,15,77,960
Jan-24	435.30	399.60	19,74,573	435.40	400.00	3,30,39,991
Feb-24	480.50	406.60	18,01,096	480.45	406.60	4,02,27,113
Mar-24	474.60	405.25	6,16,898	474.85	405.25	1,61,17,870

Performance of Share Price

The graphical presentation on the performance of the share price of the Company in comparison to the BSE Sensex is provided herein:



The graphical presentation of the performance of the share price of the Company in comparison to the NSE Nifty is provided herein under:



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 dematerialized form except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized 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 2023-24 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, Listing Regulations and the applicable SEBI Acts & regulations. The secretarial audit report 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 compliances with all applicable SEBI regulations, circulars and guidelines for the year ended March 31, 2024.

Pursuant to regulation 40(9) of the SEBI Listing Regulations, the certificate has been issued, on a yearly basis, by a Company Secretary in practice, certifying due compliance with share transfer formalities by the Company.

M/s Saurabh Poddar & Associates, Practicing 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, 2024

Category (Shares)	No. of Shareholders	No. of Shares held	Percentage of Shareholding
1 - 5000	1,84,282	2,87,23,507	99.37
5001 - 10000	575	41,91,409	0.31
10001 - 20000	216	30,69,903	0.12
20001 - 30000	94	23,77,439	0.05
30001 - 40000	46	16,22,919	0.02
40001 - 50000	28	12,68,664	0.02
50001 - 100000	67	47,64,773	0.04
100001 & ABOVE	145	19,63,50,102	0.08
TOTAL	1,85,453	24,23,68,716	100.00

b) Shareholding pattern category-wise as of March 31, 2024

Category	No. of Shares held	Percentage of Shareholding
Promoter & Promoter Group	10,17,03,525	41.96
Foreign Portfolio Investors	4,74,30,967	19.57
Mutual Funds, Insurance Companies, NBFC etc.	2,59,42,391	10.70
Bodies Corporate	1,01,64,447	4.19
HUF	13,29,734	0.55
Individual Shareholders	5,57,97,652	23.03
TOTAL	24,23,68,716	100.00

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. the NSDL and CDSL. The Company's equity shares, representing 99.96% of the Company's share capital were dematerialized as of March 31, 2024.

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.

Disclosure concerning Demat suspense account/ unclaimed suspense account

Unclaimed equity shares are held in Granules India Limited-Unclaimed shares suspense account maintained with Stock Holding Corporation of India Limited, G-6 to G-10, East Block, Ground Floor, Swarna Jayanti Commercial Complex, Ameerpet, Hyderabad-500038 vide Client ID: 40451330 and DP ID: IN301220. In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account:

Sl. No	Particulars	Number of Shareholders	Number of equity shares
1	An aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense account at the beginning of the year i.e., April 01, 2023.	08	24,000
2	No. of shareholders who approached the Company for the transfer of shares from the Unclaimed Suspense account during the year.	-	-
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	-	-
4	No. of shareholders and shares transferred to Investor Education and Protection Fund Authority pursuant to the provisions of section 124 of the Companies Act, 2013.	03	14,000
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, 2024.	05	10,000

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

Transfer of shares to 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 or more shall be transferred to the Demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 71,951 (0.029%) equity shares to the IEPF Authority during the financial year 2023-24.

Plant locations:

1. Finished Dosage Unit:

Survey Nos: 160/A, 161/E, 162 & 174/A, Gagillapur Village, Dundigal-Gandimaisamma Mandal, Medchal-Malkajgiri District, 500043, Telangana, India.

2. API Unit – I:

Sy.No.533, 535, 536, 537, 646 & 648, Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District-502313, Telangana, India.

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 2024.

Employee Stock Options

The information on stock options granted by the Company and other particulars about employee's stock options during the financial year 2023-24 are set out in the Director's Report.

3. API Unit – II:

Plot No 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Hyderabad- 500055, Medchal- Malkajgiri District, Telangana, India.

4. API Unit – III:

Sy.No.216, Bonthapally village, Gummadidala Mandal, Sangareddy District, 502313 Telangana, India.

5. API Unit – IV:

Plot No 8, Jawaharlal Nehru Pharma City, Tadi Village, Parawada Mandal, Anakapally District - 531019, Andhra Pradesh, India.

6. API Unit – V

Plot No.30, Jawaharlal Nehru Pharma City, Parawada Mandal, Anakapally District- 531019, Andhra Pradesh, India.

R & D Centres

- Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Hyderabad - 500072, Medchal- Malkajgiri District, Telangana, India.

2. Survey Nos. 234 / 1 to 4 and 6 to 7, 235 /6 to 9 and 245 / 1 to 3, India Land Global Industrial Park, Hinjewadi Phase -1, Mulshi Taluka, Pune District, 411057, Maharashtra, India.
3. H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Hyderabad - 500072, Medchal-Malkajgiri District, Telangana, India.
4. Lab No: 11 & 13, Building No:1800, Sy No. 101,101/2 &340, M. N. Park, Genome Valley, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal- Malkajgiri District, 500078, Telangana, India.

Address for correspondence

Registered Office & Corporate Office

2nd Floor, 3rd Block, My Home Hub, Madhapur,
Hyderabad-500081, 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

Hyderabad, May 15, 2024

DIN: 00020180

DECLARATION BY THE JOINT MANAGING DIRECTOR & CEO

I, Kandiraju Venkata Sitaram Rao, Joint Managing Director & CEO hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'Code of Conduct in respect of the financial year 2023-24.

Place: Hyderabad
Date: May 15, 2024

Dr. Kandiraju Venkata Sitaram Rao

Joint Managing Director & CEO

DIN: 08874100

CEO AND CFO CERTIFICATE

(Pursuant to regulation 17(8) read with Part B of Schedule II of the Listing Regulations)

To,
The Board of Directors
Granules India Limited

We hereby certify that:

- a. We have reviewed financial statements (standalone & consolidated) including the cash flow statement for the financial year ended March 31, 2024 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and comply with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which is fraudulent, illegal or violates the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company for financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mukesh Surana
Chief Financial Officer

Dr. Kandiraju Venkata Sitaram Rao
Joint Managing Director & CEO
DIN: 08874100

Place: Hyderabad
Date: May 15, 2024

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
2nd Floor, 3rd Block, My Home Hub,
Madhapur, Hyderabad- 500 081, Telangana.

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Granules India Limited has CIN (Corporate Identification Number L24110TG1991PLC012471) and has its Registered Office at 2nd Floor, 03rd Block, My Home Hub, Madhapur, Hyderabad – 500 081, Telangana, India (the Company), produced before us 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 our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	NAME	DESIGNATION	DIN
1	Dr. Krishna Prasad Chigurupati	Chairman & Managing Director	00020180
2	Dr. Kandiraju Venkata Sitaram Rao	Joint Managing Director & CEO	08874100
3	Mrs. Uma Devi Chigurupati	Executive Director	00737689
4	Mr. Harsha Chigurupati	Executive Director	01606477
5	Mrs. Priyanka Chigurupati	Executive Director	01793431
6	Mr. Basava Sankar Rao Kolli	Non-Executive Director	05167550
7	Mr. Arun Rao Akinepally *	Independent Director	00876993
8	Mr. Arun Sawhney	Independent Director	01929668
9	Dr. Saumen Chakraborty	Independent Director	06471520
10	Mrs. Sucharita Rao Palepu	Independent Director	07807717
11	Mr. Kapil Mehan	Independent Director	01215092
12	Mr. Sethurathnam Ravi	Independent Director	00009790
13	Mr. Rajiv Pritidas Kakodkar	Independent Director	01519590

*Mr. Arun Rao Akinepally retired as an Independent Director of the Company subsequent to the completion of his term on 31st March 2024.

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

For **M/s. Saurabh Poddar & Associates**

Company Secretaries
FIRM UIN: S2012AP177700

Name: **Saurabh Poddar**

Designation: Proprietor

Membership No: FCS 9190

COP No: 10787

PR: 785/2020 dated June 30, 2020

UDIN: F009190F000153378

Place: Hyderabad

Date: April 17, 2024

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI

(Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

To,
The Members,
Granules India Limited

I, Saurabh Poddar, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on May 16, 2023 by the Board of Directors of M/s. Granules India Limited (hereinafter referred to as 'the Company'), having CIN:- L24110TG1991PLC012471 and having its registered office at Second Floor, Block III, My Home Hub, Madhapur, Cyberabad, Hyderabad -500081.

I, have examined the compliance of conditions of Corporate Governance by Granules India Limited ("the Company"), for the year ended March 31, 2024, 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 of 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.

Auditor's Responsibility

1. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. Pursuant to the requirements of the Listing Regulations, it is our 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, 2024.
3. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports and Guidance Note on Certification of Corporate Governance both issued

by the Institute of the Company Secretaries of India (the "ICSI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

Certification:

4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Regulations.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the management of the Company.
2. Our responsibility is to give a certificate based on our 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 requirement 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

Place: Hyderabad
Date: April 19, 2024

PR: 785/2020 dated June 30, 2020
UDIN: F009190F000191196