August 4, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 532531

The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: STAR

Dear Madam/ Sir,

Sub: Notice of 32nd Annual General Meeting and Annual Report for FY23

This is to inform you that 32nd Annual General Meeting (AGM) of the Company is scheduled to be held on **Monday, August 28, 2023,** at **12:30 hrs IST** through Video Conference/ Other Audio-Visual Means (VC/ OAVM).

As required under SEBI Listing Regulations, we are enclosing herewith Notice convening the 32nd AGM and Annual Report for FY23, which is being sent through electronic mode to all eligible Shareholders of the Company whose email IDs are registered with the Company/ Registrar and Transfer Agent (RTA) of the Company or the Depository Participants.

Copy of the same is also available on the Company's website www.strides.com

This is for your information and records.

Thanks & Regards,
For **Strides Pharma Science Limited,**

MANJULA RAMAMURTHY
Digitally signed by MANJULA RAMAMURTHY
Date: 2023.08.04 18:08:12 +05'30'

Manjula Ramamurthy
Company Secretary
ICSI Membership No.: A30515

Encl. As above

Strides Pharma Science Limited
CIN: L24230MH1990PLC057062
Corp Off: Strides House, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, India | Tel: +91 80 6784 0000 Fax: +91 80 6784 0700
Regd Off: 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, India | Tel: +91 22 2789 2924 / 3199 Fax: +91 22 2789 2942
corpcomm@strides.com, www.strides.com

Strides

STRIDES PHARMA SCIENCE LIMITED
CIN: L24230MH1990PLC057062
Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703.
Tel No.: +91 22 2789 2924/ 2789 3199
Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076.
Tel No.: +91 80 6784 0000/ 6784 0290
Website: www.strides.com; Email: investors@strides.com

Dear Shareholders,

Sub: Invitation to attend the 32nd Annual General Meeting of the Company to be held on Monday, August 28, 2023

You are cordially invited to attend the 32nd Annual General Meeting (AGM) of the Company scheduled to be held on **Monday, August 28, 2023 at 12:30 hrs IST** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). Notice convening the AGM is enclosed herewith.

To enable ease of participation, please find below key details regarding the meeting:

#	Particulars	Details
1)	Link for live webcast of the AGM and for participation through VC	https://emeetings.kfintech.com/ Shareholders may attend the AGM through VC by accessing the above link or by using the remote e-voting credentials. Please refer the instructions of this Notice for further information.
2)	Link for remote e-voting	https://evoting.kfintech.com/
3)	Cut-off date for e-voting	Monday, August 21, 2023
4)	Time period for e-voting	Starts from **09:00 hrs IST on Wednesday, August 23, 2023; and** Ends on **Sunday, August 27, 2023 at 17:00 hrs IST**.
5)	Last date for publishing results of the e-voting	On or before Wednesday, August 30, 2023
6)	Contact details of Registrar and Share Transfer Agent (RTA)	Ms. Rajitha Cholleti, Dy. Vice President-Corporate Registry/ Mr. Mohan Kumar A, Manager
7)	Helpline number for VC participation and e-voting	KFIN Technologies Limited (formerly known as KFin Technologies Private Limited) Unit: Strides Pharma Science Limited E-mail: einward.ris@kfintech.com; evoting@kfintech.com Toll Free No.: 1800 309 4001
8)	Scrutiniser Details	Mr. Gigi Joseph K J, Practicing Company Secretary (ICSI Membership No. F6483 and CP:5576) of M/s. Joseph and Chacko LLP, Company Secretaries, Bengaluru Email: gigi@jandc.in
9)	Strides contact details	Email: investors@strides.com Tel No.: +91 80 6784 0732/ 0734

Best Regards,

For Strides Pharma Science Limited
Sd/-
Manjula Ramamurthy
Company Secretary
ICSI Membership No.: A30515

Date: May 25, 2023
Place: Bengaluru

NOTICE

STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062
Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703.
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Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076.
Tel No.: +91 80 6784 0000/ 6784 0290
Website: www.strides.com; Email: investors@strides.com

NOTICE is hereby given that the **Thirty-Second Annual General Meeting (AGM)** of the Shareholders of the Company will be held on **Monday, August 28, 2023, at 12:30 hrs IST** through Video Conference (VC)/ Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

Item 1: Adoption of Audited Financial Statements for the Financial Year ended March 31, 2023

To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, and the Report of Auditors thereon.

Item 2: Declaration of Dividend for the Financial Year ended March 31, 2023

To declare a Dividend of ₹1.50/- per equity share of face value ₹10/- each for the Financial Year ended March 31, 2023.

Item 3: Re-appointment of Mr. Arun Kumar (retiring Director) as Director of the Company

Mr. Arun Kumar (DIN: 00084845) is the Executive Chairperson and Managing Director of the Company.

Pursuant to Section 152 of the Companies Act, 2013 Arun retires by rotation and being eligible, offers himself for re-appointment as Director of the Company.

Relevant details of Mr. Arun Kumar pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is marked as **Annexure 1** to this Notice.

SPECIAL BUSINESS

Item 4: Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company for Financial Year ended March 31, 2023

To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"**RESOLVED** that in accordance with the provisions of Sections 197, 198 and 149 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules framed thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations), consent of Shareholders of the Company be and is hereby accorded for payment of Commission of ₹10,00,000/- (Rupees Ten Lakhs only) per Non-Executive Director (including Independent Director) for the Financial Year ended March 31, 2023, to be proportionated for the period of Office in FY 2022-23, as recommended by Board of Directors of the Company.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things as may be necessary and incidental to the aforesaid resolution."

Item 5: Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company in the case of inadequacy of profit

To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"**RESOLVED** that pursuant to the provisions of Sections 197, 149 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules framed thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations), consent of Shareholders of the Company be and is hereby accorded for payment of Commission to Non-Executive Directors (including Independent Directors) (NEDs) of the Company, in accordance with the limits prescribed under Schedule V to the Act, in the event in any financial year the Company has no profit or has inadequacy of profit to pay Commission to NEDs.

RESOLVED FURTHER that the said Commission be paid to and distributed amongst the NEDs in such amounts or proportions and in such manner as may be directed by the Board of Directors of the Company.

RESOLVED FURTHER that the above payment shall be in addition to the sitting fees payable to NEDs for attending meetings of the Board and/ its Committees or for any other purpose whatsoever, as may be decided by the Board and reimbursement of expenses for participation in the said meetings.

RESOLVED FURTHER that the said approval shall be valid for a period of three years commencing from FY2023-24.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things as may be necessary and incidental to the aforesaid resolution."

Item 6: Payment of Variable Pay to Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company for the Financial Year ended March 31, 2023

To consider and if thought fit to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED** that in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules framed thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations), consent of Shareholders of the Company be and is hereby accorded for payment of performance linked variable pay of ₹6 crores (Rupees Six crores only) to Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company (DIN: 00084845) for the Financial Year ended March 31, 2023, as recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors of the Company.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things as may be necessary and incidental to the aforesaid resolution."

Item 7: Revision in remuneration of Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company

To consider and if thought fit to pass, with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED** that in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules framed thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations), consent of Shareholders of the Company be and is hereby accorded for the proposed remuneration as detailed below, payable to Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company (DIN: 00084845) effective April 1, 2023, as recommended by the Nomination and Remuneration Committee (NRC) and approved by Board of Directors of the Company.

Fixed Pay	₹6 crores per annum (inclusive of all allowances and perquisites except other benefits detailed below)
Performance linked Variable Pay	Maximum of 50% of the Fixed Pay - Payout shall be subject to achievement of quantitative and qualitative outcomes as agreed with NRC and Board.
Other Benefits	• Insurance and other Employee Benefits as per Company Policy; • Encashment of un-availed leave as per Company's Policy; • Reimbursement of expenses incurred for Strides' business related matters; • Chauffer driven car for use on Company's business; • Telephone facility at residence; and • One Club Membership.

RESOLVED FURTHER that Mr. Arun Kumar shall be entitled for an annual increment of an amount not exceeding 30% of the immediately preceding annual fixed pay as recommended by NRC and approved by the Board and performance linked variable pay shall be 50% of such revised fixed pay, in addition to the other benefits as detailed above.

RESOLVED FURTHER that in terms of the applicable provisions of the Act read with Schedule V of the Act, where in any financial year during the tenure of Mr. Arun Kumar as Executive Director, the Company has no profit or its profit is inadequate to pay the proposed remuneration, Company shall pay Mr. Arun Kumar, remuneration detailed above as minimum remuneration, including revision in remuneration as may be recommended by NRC and approved by the Board of Directors from time to time.

RESOLVED FURTHER that NRC and Board be and are hereby severally authorised to alter, modify and vary the terms and conditions of employment and remuneration payable to Mr. Arun Kumar, to the extent the Board may deem fit, within the maximum limit approved by Shareholders as detailed above.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things as may be necessary and incidental to the aforesaid resolution."

Item 8: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the Financial Year ended March 31, 2023

To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of Shareholders of the Company be and is hereby accorded for the proposed remuneration not exceeding ₹3.50 Lakhs plus out-of-pocket expenses and applicable taxes, payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), Cost Auditors of the Company for FY 2022-23.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things as may be necessary and incidental to the aforesaid resolution."

By Order of the Board
For Strides Pharma Science Limited
Sd/-
Manjula Ramamurthy
Company Secretary
ICSI Membership No.: A30515

Date: May 25, 2023
Place: Bengaluru

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required under Section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item 4 to 8 of the accompanying Notice:

Item 4 and 5: Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company

Shareholders of the Company at their Annual General Meeting held on July 30, 2019 had approved payment of Commission to Non-Executive Directors (including Independent Directors) (NEDs) of the Company for an amount not exceeding 1% of Net Profits of the Company.

Basis such approval, Company has paid Commission to NEDs as under:

Financial Year	Amount	Remarks
2019-20	₹10 lakhs per NED	-
2020-21	₹10 lakhs per NED	-
2021-22	NIL	Considering Company's performance in FY 2021-22, Board of Directors opted out of receiving Commission for FY 2021-22.

In FY 2022-23, Company reported a strong annual and quarterly results laying the foundation for promising profit-led growth in the future. Board acknowledged that during the turnaround period of FY 2022-23 and earlier years, NEDs had devoted considerable time to deliberate strategic and critical matters relevant for the Company. Company has immensely benefitted from NED's significant professional expertise and rich experience across various functional areas.

Considering the above, Board of Directors of the Company have approved and recommended payment of Commission of ₹10 Lakhs per NED for FY 2022-23. However, the Company has inadequate profit to pay Commission to NEDs as proposed above.

Statutory Provisions for Payment of Remuneration to NEDs

In terms of the provisions of Section 197 of the Companies Act, 2013 (Act), NEDs may be paid remuneration by way of Commission up to 1% of the Net profits of the Company, if Company has a Managing Director or a Whole-time Director or a Manager.

The said remuneration shall be in addition to the sitting fees payable to them and reimbursement of expenses incurred for attending meetings of the Board and/ or Committees thereof or for any other purpose whatsoever, as may be decided by the Board.

As per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Board shall recommend all fees or compensation (excluding sitting fees paid within the limits prescribed under the Act), if any, paid to NEDs and such payments shall require approval of Shareholders in a general meeting.

The Companies (Amendment) Act, 2020 amended the relevant provisions of the Act effective March 2021 enabling payment of remuneration to NEDs in case of inadequacy or absence of profits. This was based on the recommendations made by the Company Law Committee in its report submitted in 2019 that acknowledged the crucial role played by NEDs, especially IDs, in effective functioning of the Board.

To give effect to the above amendments, a concurrent amendment was also made to Schedule V of the Act prescribing limits of remuneration payable to NEDs based on 'Effective Capital' of the company. Remuneration in accordance with the said limits can be paid upon satisfaction of the following conditions as prescribed under Schedule V and subject to approval of Shareholders by way of an Ordinary Resolution:

a) Payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of Section 178, also by the NRC; and

b) The company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, has been obtained by the company before obtaining approval of the shareholders in the general meeting.

Shareholders to note that Shareholders' approval of July 2019 enables payment of Commission to NEDs when the Company has adequate profits for such payment.

In view of the valuable services being rendered by NEDs of the Company and considering the amended provisions of the Act as detailed above, approval of Shareholders of the Company is sought for the following:

a) Payment of Commission of ₹10 Lakhs per NED for FY 2022-23, as recommended by Board of Directors of the Company. In this regard, Shareholders to note that in relation to FY 2022-23, the Company is in compliance with the prescribed conditions as detailed above for payment of Commission to NEDs.

b) Enabling approval for payment of Commission to its NEDs as stipulated in Schedule V of the Act, in the event the Company has no profit or has inadequacy of profit in any financial year. The said approval shall be valid for a period of three years commencing from FY 2023-24.

Shareholders to further note that Shareholders' approval of July 30, 2019, shall continue to be valid for payment of Commission to NEDs in the event of adequacy of profits. Such payments shall be within the limits prescribed therein and as recommended by NRC and approved by the Board.

Disclosures as required under the Act, Listing Regulations and Secretarial Standard on General Meetings is enclosed as an Annexure.

NEDs of the Company are interested in the said resolution, to the extent of commission, which may be paid to them.

None of the Executive Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Board recommends passing of the proposed resolutions stated in Item 4 and 5 as Ordinary Resolutions and requests Shareholders' approval for the same.

Item 6 and 7: Payment of variable pay to Mr. Arun Kumar, Executive Chairperson and Managing Director for FY 2022-23 and Revised Remuneration effective April 1, 2023

Brief profile of Mr. Arun Kumar

Mr. Arun Kumar (DIN: 00084845), aged 62 years is the Company's Founder and Promoter Director. Arun holds a bachelor's degree in Commerce. He has been a member of the Company's Board since its inception.

Arun is a first-generation entrepreneur with an illustrious track record of pursuing "difficult to operate" domains with high scarcity value. He founded the Company in 1990 and has since led the Company in establishing a global reputation with a differentiated business model and delivering value to its stakeholders, including distribution of the most extensive dividend by a pharmaceutical company in India.

Arun was awarded the E&Y Entrepreneur of the Year for the Healthcare industry in 2000. In 2014, he also received the "India's Best CEO Award (Mid-Sized Companies Category)" and "Best CEO in the Pharma and Healthcare Industry" from Business Today.

As an entrepreneur, Arun manages his investments through his family office, which has a diversified portfolio of investments distributed across multiple businesses.

In his current role at Strides, Arun was appointed as Executive Chairperson and Managing Director effective April 7, 2022, for a three-year term, liable to retire by rotation.

At Strides, Arun is leading the strategy with emphasis on returning the Company to growth with improved operating margins, enhanced cash flows and an extensive decrease in debt. He is also responsible for the Company's global operations in addition to overseeing strategy.

Arun constantly meets the management team to review a wide range of areas, including leadership, critical talent management, succession planning, executive performance evaluation, stakeholder relations, corporate social responsibility, interface with subsidiaries and joint ventures and mentoring of leaders.

At Strides, Arun is also a member of the CSR Committee and Stakeholder Relationship Committee. During FY 2022-23, Arun has attended all the Board and Committee meetings.

Remuneration to Mr. Arun Kumar in FY 2022-23

At the time of appointment in April 2022, considering Company's weak financial performance of previous year, Arun opted out of fixed remuneration for FY 2022-23.

Board of Directors, upon the recommendation of Nomination and Remuneration Committee (NRC), had inter alia approved ₹1 as fixed pay and ₹6 crores as performance linked variable pay, subject to achievement of operational profitability and other deliverables. Arun's appointment and remuneration was approved by Shareholders of the Company by way of Postal Ballot on July 6, 2022.

Performance of the Company in FY 2022-23 on a consolidated basis

Under Arun's leadership, Company delivered a robust performance with a sharp focus on growth, profitability and governance. Some of the metrics demonstrating the business' turnaround during FY 2022-23 is as under:

a. The Company reported highest-ever annual sales of ₹37,042 million, an increase of ~20% y-o-y. This performance included US sales of USD 232 million, a new high for Strides, which increased by ~58% y-o-y from USD 157 million in FY 2021-22. At USD 157 million, Other Regulated Markets had the highest ever sales in FY 2022-23.

b. As an outcome of measures to reduce costs and bring efficiencies, the Company's gross margins for FY 2022-23 was at ~56.1%, an absolute increase of ₹4,850 million. FY 2022-23 EBITDA for the Company is ₹4,460 million, an increase of ₹4,418 million compared to FY 2021-22 EBITDA.

c. Strides' gross debt was reduced by ~₹2,500 million despite sales and gross margin increase of ~₹6,000 million and ~₹4,800 million, respectively. From 8.3x in Q1FY23 to 3.4x in Q4FY23, Net Debt to annualised EBITDA of under 3x.

d. Stelis Biopharma Limited, an associate of the Company and the Group's biotech division, has a debt reduction of ₹4,700 million, increasing the total debt reduction by the Group in FY 2022-23 to ₹7,200 million.

e) On compliance front, USFDA reclassified the Puducherry facility after lifting the warning letter issued to the site in June 2019.

f) Company received Establishment Inspection Reports from USFDA confirming successful conclusion of inspections at four of our five USFDA approved manufacturing sites, i.e., Bengaluru, Puducherry, Singapore and Chestnut Ridge (US).

Evaluation of Performance and Recommendation of Variable Pay

NRC at its meeting held on May 25, 2023, evaluated Arun's performance for FY 2022-23.

Committee acknowledged Arun's commitment to advance Company's interest and opted out of fixed remuneration during FY 2022-23. He fostered a culture of leadership with trust and under his leadership Company has made a significant headway to achieve the stated plan to return to growth, enhance profitability and reduce debt. Company's consolidated EBITDA turned-around from ₹42 million in FY 2021-22 to ₹4,460 million in FY 2022-23. Company has delivered a sustainable Profitability, Efficiency and Growth during the year and has laid a strong foundation for FY 2023-24.

In acceptance of Arun's exemplary leadership and exceptional efforts during the year, NRC recommended payment of performance linked variable pay of ₹6 crores to Arun for FY 2022-23. Board at its meeting held on May 25, 2023 considered the recommendation of NRC and approved the proposal.

In recommending the variable payout to Mr. Arun Kumar, NRC and the Board considered the reasonableness and sufficiency of the payout for the role played by Mr. Arun Kumar in turning around Company's performance, including responding to the challenges faced by the Company.

However, the Company has inadequate profit to pay the said remuneration. Further, Shareholders' approval of July 6, 2022 does not enable payment of such remuneration, if the Company has no profit or its profits are inadequate during the financial year.

Accordingly, approval of Shareholders of the Company is being sought for payment of performance linked variable pay of ₹6 crores for FY 2022-23 to Mr. Arun Kumar by way of Special Resolution as per Item 6 of this Notice.

Revised Remuneration effective April 1, 2023

Arun has been in the role of Executive Director (ED) of the Company during prior years and his remuneration as ED is provided below:

As per Shareholders approval	FY 2015-16	FY 2016-17	FY 2018-19	FY 2019-20	FY 2021-23
Fixed Pay	₹4.00 cr	₹4.00 cr	₹4.00 cr	₹5.20 cr	₹1
Variable Pay	₹2.00 cr	₹2.00 cr	₹2.00 cr	₹2.60 cr	₹6.00 cr
Total	**₹6.00 cr**	**₹6.00 cr**	**₹6.00 cr**	**₹7.8 cr**	**₹6.00 cr**
Actual pay-out					
Fixed Pay	₹4.00 cr	₹4.00 cr	₹4.00 cr	₹5.20 cr	₹1
Variable Pay	₹1.25 cr	-	₹1.00 cr	₹2.60 cr	₹6.00 cr*
Total	**₹5.25 cr**	**₹4.00 cr**	**₹5.00 cr**	**₹7.80 cr**	**₹6.00 cr**

** will be paid subject to Shareholders' approval at the ensuing AGM.*

The above data excludes remuneration paid to Mr. Arun Kumar as Non-Executive Director during the period FY 2017-18, FY 2020-21 and FY 2021-22.

Board of Directors considered Arun's historical remuneration and his notable contribution to turn around the Company's performance. Based on the recommendation of NRC, Board of Directors approved and recommended revision to Arun's remuneration effective April 1, 2023, as under:

Fixed Pay	₹6 crores per annum (inclusive of all allowances and perquisites except other benefits detailed below)
Performance linked Variable Pay	Maximum of 50% of the Fixed Pay - Payout shall be subject to achievement of quantitative and qualitative outcomes, as agreed with NRC and Board. **Quantitative Thresholds** are around metrics on Profitability, Efficiency and Growth. **Qualitative Thresholds** are around metrics relating to building sustainable Process and Systems, critical roles identification, development and succession planning, driving ESG agenda for the organisation and All-Time-Quality-Compliant across manufacturing facilities of the Group. NRC and Board shall have absolute powers to determine the quantum of variable payout based on performance evaluation.
Other Benefits	• Insurance and other Employee Benefits as per Company Policy; • Encashment of un-availed leave as per Company's Policy; • Reimbursement of expenses incurred for Strides' business related matters; • Chauffer driven car for use on Company's business; • Telephone facility at residence; and • One club membership
Annual Increment	Shall be entitled for an annual increment of an amount not exceeding 30% of the immediately preceding annual fixed pay as recommended by NRC and approved by the Board and performance linked variable pay shall be 50% of such revised fixed pay, in addition to the other benefits as detailed above.
Minimum Remuneration	In terms of the applicable provisions of the Act read with Schedule V of the Act, where in any financial year during the tenure of Arun, the Company has no profit, or its profit is inadequate, Company shall pay Arun, remuneration detailed above as Minimum Remuneration, including revision in remuneration as may be recommended by NRC and approved by the Board of Directors from time to time.

Shareholders to note that Arun does not draw remuneration from any of the Strides' Group companies.

Proposed remuneration recommended by NRC and approved by the Board is in line with the guidelines of the Nomination and Remuneration Policy of the Company and aligns with the short-term, medium-term and long-term goals of the Company. Company has also obtained benchmarking report in this matter by an external reputed firm.

Considering Arun's skill set and expertise & the requirement of effective leadership to drive a challenging business at Strides, remuneration proposed for Arun is comparable and is in the range for similar positions in similar sized companies of the Indian Pharma Industry as per the benchmarking report.

Disclosures for Item 6 and 7 as required under the Act, Listing Regulations and Secretarial Standard on General Meetings is enclosed as Annexures to this Notice.

Except Arun and his relatives and entities who are part of the Promoter Group, none of the other Directors, Key Managerial Personnel, remaining Promoters or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

Board recommends passing of the proposed resolutions as stated in Item 6 and 7 as Special Resolutions and requests Shareholders' approval for the same.

Item 8: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the Financial Year ended March 31, 2023

In line with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), Cost Audit and maintenance of Cost Records is applicable for the Company.

M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.: 000065) were appointed as Cost Auditors of the Company for FY 2022-23 by the Board of Directors of the Company, based on the recommendation of Audit Committee.

Based on historical performance of the Company, over 95% of turnover is from exports, of which ~80% is covered under Cost Audit.

Considering the scope of audit, time and resources to be deployed by the Cost Auditors, a remuneration not exceeding ₹3.50 Lakhs plus out-of-pocket expenses and applicable taxes is recommended by the Board of Directors of the Company for approval of Shareholders.

Board believes that the proposed remuneration is fair and reasonable and does not in any way impair the independence and judgment of the Cost Auditors.

None of the Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding, if any in the Company.

Board recommends passing of the proposed resolution stated in Item 8 as an Ordinary Resolution and requests Shareholders' approval for the same.

By Order of the Board
For Strides Pharma Science Limited
Sd/-
Manjula Ramamurthy
Company Secretary
ICSI Membership No.: A30515

Date: May 25, 2023
Place: Bengaluru

*****

Annexure - 1

DISCLOSURE FOR ITEM 3, 6 and 7 OF THE NOTICE UNDER REGULATION 36 OF THE SEBI LISTING REGULATIONS and SECRETARIAL STANDARD ON GENERAL MEETINGS

Arun Kumar, (DIN: 00084845), Executive Chairperson and Managing Director

1) Brief resume, Qualification, Experience and Nature of expertise in specific function

Mr. Arun Kumar, aged 62 years is the Company's Founder and Promoter Director.

Arun holds a bachelor's degree in commerce. He has been a member of the Company's Board of Directors since its inception and was appointed as Executive Chairperson and Managing Director on April 7, 2022, for a three-year term.

Arun is a first-generation entrepreneur with an illustrious track record of pursuing "difficult to operate" domains with high scarcity value. He founded the Company in 1990 and has since led the Company in establishing a global reputation with a differentiated business model and delivering value to its stakeholders, including the distribution of the most extensive dividend by a pharmaceutical company in India.

Arun was awarded the E&Y Entrepreneur of the Year for the Healthcare industry in 2000. In 2014, he also received the "India's Best CEO Award (Mid-Sized Companies Category)" and "Best CEO in the Pharma and Healthcare Industry" from Business Today.

As an entrepreneur, Arun manages his investments through his family office, which has a diversified portfolio of investments distributed across multiple businesses.

At Strides, Arun is leading the strategy for the Company, with emphasis on returning the Company to growth, with improved operating margins, enhanced cash flows and an extensive decrease in debt. He is also responsible for the Company's global operations in addition to overseeing strategy.

Arun constantly meets with the management team to review a wide range of areas, including leadership, critical talent management, succession planning, executive performance evaluation, stakeholder relations, corporate social responsibility, interface with subsidiaries and joint ventures and mentoring of leaders.

2) Terms and conditions of Appointment or Reappointment

Arun is the Founder Director of Strides and has been on the Board of Strides since June 28, 1990, in both Executive and Non-Executive positions.

In the current role, Arun was appointed as Executive Chairperson and Managing Director of the Company for a period of three years, with effect from April 7, 2022, liable to retire by rotation.

Arun retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment as a Director of the Company.

Details of remuneration paid to Arun is provided in the Explanatory Statement to Item 6 and 7 of the Notice.

3) Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner

Direct Shareholding: 19,40,997 equity shares representing ~2.15% of the paid-up equity share capital of the Company.

Indirect shareholding: 1,87,51,672 equity shares representing ~11.31 % of the paid-up equity share capital of the Company.

4) Relationship with other directors, Managers and Key Managerial Personnel of the Company

Arun is not related to any other Director, Manager and KMP of the Company.

5) Number of Board and Committee Meetings attended during FY 2022-23 of Strides

- **Board Meetings:** 6 out of 6;
- **Stakeholders Relationship Committee Meetings:** 4 out of 4; and
- **CSR Committee Meetings:** 3 out of 3.

6) **Membership/ Chairmanship of the Committees of Strides**

- Member of Stakeholders Relationship Committee and CSR Committee

7) **Directorship held in other Companies as at date of this Notice**

Non-Executive Director
a) Solara Active Pharma Sciences Limited (Listed)
b) Stelis Biopharma Limited (Unlisted)

8) **Other Membership/ Chairmanship of Committees of the Board as at date of this Notice**

At Stelis Biopharma Limited - Member of CSR Committee

9) **Names of the listed entities from which the Director has resigned in the past three years**

None

Annexure - 2

STATEMENT OF DISCLOSURES AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION (INCLUDING VARIABLE PAY) and COMMISSION WHEN THE COMPANY HAS NO PROFIT OR ITS PROFIT IS INADEQUATE IN ANY FINANCIAL YEAR

I. General Information

1)	Nature of Industry	Pharmaceutical Industry
2)	Date or expected date of commencement of commercial production	Not applicable, as the Company is an existing Company
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable, as the Company is an existing Company

4) Financial performance based on given indicators

(₹ in Million)

Particulars	Standalone			Consolidated		
	2022-23	2021-22	2020-21	2022-23	2021-22	2020-21
Total Income	19,385.62	21,024.88	19,465.62	37,787.15	32,022.38	33,672.97
Total Expense (Excluding exception items)	19,883.22	20,809.80	18,349.27	37,626.00	35,001.14	30,373.92
Profit After Tax	46.82	1,801.88	782.40	(2,123.30)	(4,742.50)	2,577.29

Dividend per share	2022-23	2021-22	2020-21
Interim	-	-	-
Final	₹1.50*	-	₹2.50
Total Dividend	**₹1.50**	**-**	**₹2.50**

**Payable subject to Shareholders' approval at the ensuing AGM.*

5)	Foreign investments or collaborations, if any	As at March 31, 2023, Foreign Holding in the Company was at 21.08%. There are no Foreign Collaborations as at the date of this Notice.

II. Information about Directors whose remuneration is under approval

1) Background details, Recognition/ Awards, Job Profile and Suitability to the role

Brief profile of Directors of the Company is enclosed as an Annexure to this Notice.

2) Past Remuneration, Proposed Remuneration and Comparative remuneration

A. Past Remuneration and Proposed Remuneration drawn by Mr. Arun Kumar

Refer explanatory note to Item 6 and 7.

B Past and Proposed Remuneration paid/ payable to Non-Executive Directors

Non-Executive Directors (including Independent Directors) (NEDs) are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and Commission, as per the provisions of the Act and Listing Regulations.

Company does not have any pecuniary relationship or transactions with NEDs other than sitting fees/ reimbursement of expenses paid to them for attending Board and Committee meetings and payment of Commission, if any.

Remuneration by way of Commission to NEDs is decided by the Board and distributed to them subject to Shareholders' approval.

Further, proposal to pay Commission to NEDs for FY 2022-23 is included in the Notice of this AGM and is payable subject to approval of the Shareholders' of the Company.

Past Remuneration of NEDs

Name of Director	FY 2019-20		FY 2020-21		FY 2021-22	FY 2022-23
	Sitting Fees (₹)	Commission (₹)	Sitting Fees (₹)	Commission (₹)	Sitting Fees (₹)	Sitting Fees (₹)
Deepak Vaidya#	12,00,000	10,00,000	17,00,000	10,00,000	13,00,000	700,000
Dr Kausalya Santhanam*	4,00,000	3,33,333	17,00,000	10,00,000	13,00,000	12,00,000
S Sridhar	12,00,000	10,00,000	17,00,000	10,00,000	13,00,000	12,00,000
Bharat Shah	12,00,000	10,00,000	17,00,000	10,00,000	12,00,000	12,00,000
Homi Rustam Khusrokhan	10,00,000	10,00,000	17,00,000	10,00,000	13,00,000	12,00,000
Total	**50,00,000**	**43,33,333**	**85,00,000**	**50,00,000**	**64,00,000**	**55,00,000**
Grand Total	**93,33,333**		**135,00,000**		**64,00,000**	**55,00,000**

 # Resigned effective November 14, 2022

** Appointed as Independent Director effective December 11, 2019*

Notes:

1) The above information is restricted to Directors whose remuneration is being considered at the ensuing AGM;
2) During FY 2021-22, based on Company's performance, Board of Directors opted out of Commission; and
3) Board of Directors have also recommended a Commission of ₹10 Lakhs per NED for FY 2022-23 which is payable post approval of Shareholders' of the Company at the ensuing AGM.

Remuneration paid to Independent Directors who are on the Board of Material Subsidiaries in terms of Regulation 24 of the Listing Regulations

#	Name of the entity	Bharat Shah*	Dr Kausalya Santhanam			
		FY 2019-20 (USD)	FY 2019-20 (USD)**	FY 2020-21 (USD)	FY 2021-22 (USD)	FY 2022-23 (USD)
1.	Strides Pharma Asia Pte. Ltd, Singapore	4,500	1,500	6,000	6,000	6,000
2.	Strides Pharma Global Pte. Limited, Singapore	4,500	1,500	6,000	6,000	6,000
3.	Strides Pharma Inc, USA	-	-	4,500***	6,000	6,000
4.	Strides Arcolab International Limited, UK ***	-	-	4,500***	6,000	6,000
	Total	**9,000**	**3,000**	**21,000**	**24,000**	**24,000**

** For the directorship held during the period from April 1, 2019 upto January 24, 2020*

*** For the directorship held during the period January 25, 2020 upto March 31, 2020*

**** For the directorship held during the period July 1, 2020 upto March 31, 2021*

C. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

i. Arun Kumar, Executive Chairperson and Managing Director

Proposed remuneration recommended by NRC and approved by the Board is in line with the guidelines of the Nomination and Remuneration Policy of the Company and aligns with the short-term, medium-term and long-term goals of the Company. Company has also obtained benchmarking report in this matter by an external reputed firm.

Considering Arun's skill set and expertise & the requirement of effective leadership to drive a challenging business at Strides, remuneration proposed for Arun is comparable and is in the range for similar positions in similar sized companies of the Indian Pharma Industry as per the benchmarking report.

ii. Non-Executive Directors (including Independent Directors) (NEDs)

In terms of the provisions of Section 197 of the Companies Act, 2013 (Act), NEDs may be paid remuneration by way of Commission up to 1% of the Net profits of the Company. The said remuneration shall be in addition to the sitting fees payable to them and reimbursement of expenses incurred for attending meetings of the Board and/ or Committees thereof or for any other purpose whatsoever, as may be decided by the Board.

The Companies (Amendment) Act, 2020 amended the relevant provisions of the Act during March 2021 enabling payment of remuneration to NEDs in case of inadequacy or absence of profits. This was based on the recommendations made by the Company Law Committee in its report submitted in 2019 that acknowledged the crucial role played by NEDs, especially IDs, in effective functioning of the Board. Such payment is subject to shareholders' approval.

Taking into consideration the size and nature of business of the Company, the qualification, competence and experience of NEDs and keeping in view the remuneration prevalent in the pharma industry, Commission proposed to be paid is commensurate with those paid to NEDs of other companies.

3) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, or other director, if any

i. Arun Kumar, Executive Chairperson and Managing Director

Arun has pecuniary relationship with the Company in his capacity as Founder and Promoter Director of the Company.

Arun is not related to any other Director, Manager and KMP of the Company.

ii. Non-Executive Directors (including Independent Directors) (NEDs)

NEDs are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and Commission, as per the provisions of the Act and Listing Regulations.

Company does not have any pecuniary relationship or transactions with NEDs other than sitting fees/ reimbursement of expenses paid to them for attending Board and Committee meetings and payment of Commission, if any.

Remuneration by way of Commission to NED is decided by the Board and distributed to them pursuant to Shareholders' approval.

III. Other Information

Reasons of loss or inadequate profits and steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms

Strides confronted significant headwinds during FY 2021-22. Company's performance was severely affected by unusual price erosion and volume drops in the United States, a significant increase in freight costs, under-utilised capacities resulting in higher cost per unit and a prolonged cash-to-cash cycle leading to negative operating cash flow. Consequently, the Company reported loss in FY 2021-22.

During FY 2022-23, improvement in product-level costs, development of alternative vendors for active pharmaceutical ingredients (APIs) and packaging material, improved efficiency of production processes and reduction of yield loss, have contributed to an increase in gross margins. In addition, reduction in manufacturing site operating expenses, shipping and administrative expenses contributed to the increase in overall profitability for the year. Company continues to focus on its portfolio, price discipline, margins and cost structures. These improvements have begun to exhibit as the Company delivered a solid rebound in FY 2022-23.

In the years ahead, Company's growth will be driven by new product introductions from the approved portfolio, increased market share of the existing products, and the acquisition of new customers through the Company's B2B platform.

Company is also focusing aggressively on reducing expenses by implementing cost improvement programs across various cost line items, involving material costs, personnel costs, and other operating costs, which will lead to improved profitability and better cashflows, which, along with corporate actions, will result in debt reduction.

Despite the evolving business environment, the Company remains confident that it will deliver significant value to its stakeholders in the coming years.

Annexure - 3

Pursuant to Schedule V of the Act and Secretarial Standard on General Meetings, relevant details of Non-Executive Directors (including Independent Directors) in relation to Item 4 and 5 of this Notice is provided below:

1) Dr. Kausalya Santhanam (DIN: 06999168), Independent Director and Chairperson of CSR Committee

a) Brief resume, Qualifications, Experience and Nature of expertise in specific function

Dr. Kausalya Santhanam aged 56 years, is the Founder of SciVista IP and Communication, is a Patent attorney registered with the Indian Patent Office as well as the US Patent and Trademark Office.

Dr. Kausalya has a Ph.D in Cell biology and Immunology from Post Graduate Institute of Medical Education and Research (PGIMER) Chandigarh. Her Post-Doctoral training was in Cancer Biology at Center for Cellular and Molecular Biology (CCMB), Hyderabad. Later she was a National Research Council (NRC) Fellow at Walter Reed Army Institute of Research, Washington DC and then a Research Associate at Albert Einstein College of Medicine, New York. Later, she worked for five years as an in-house counsel in the Intellectual Property Department of CuraGen Corporation, a Biopharmaceutical company at Connecticut, USA.

Upon her return to India, Dr. Kausalya started SciVista IP and Communication that provides services in the area of Intellectual Property including IP strategies to Biotech, Pharma, Nutraceuticals, Agriculture, nanotechnology and BioPharma Companies. Kausalya also holds a Law (LLB) Degree from Mumbai University, India.

Dr. Kausalya is currently an Adjunct Professor at IIT Jodhpur, Global Executive MBA Program, Ahmedabad University and is also a speaker at various patent-related workshops and training programs in Academia and Industry.

b) Terms and conditions of Appointment/ Reappointment at Strides

Dr. Kausalya was appointed as Independent Director for a period of five years, effective December 11, 2019.

In terms of the provisions of Regulation 24 of SEBI Listing Regulations, she is also a Director on the Board of Material Subsidiaries of the Company.

Details of sitting fees and Commission paid to Dr. Kausalya is provided in the explanatory note for Item 4 and 5 of the AGM Notice in this matter and in Annexure 2.

c) Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner

- **Direct Shareholding:** 1,203 equity shares representing (~0.0013%) of the paid-up equity share capital of the Company.
- **Joint Shareholding with Spouse:** 1,000 equity shares representing (~0.0011) % of the paid-up equity share capital of the Company.

d) Relationship with other directors, Managers and Key Managerial Personnel of the Company

Dr. Kausalya is not related to any other Director, Manager and KMP of the Company.

e) Number of Board and Committee Meetings attended during FY 2022-23 of Strides

- **Board Meetings:** 6 out of 6;
- **Audit Committee Meetings:** 6 out of 6;
- **Nomination and Remuneration Committee:** 5 out of 5;
- **CSR Committee Meetings:** 3 out of 3; and
- **Risk Management Committee Meetings:** Dr. Kausalya was appointed as member of RMC effective November 15, 2022. She has attended all the meetings held post such appointment.

f) Membership/ Chairmanship of the Committees of Strides

Chairperson of CSR Committee and

Member of Audit Committee, NRC and RMC

g) Directorship held in other Companies as at date of this Notice

Independent Director

a) Solara Active Pharma Sciences Limited (Listed)
b) Sequent Scientific Limited (Listed)

Non-Executive Director

a) Desh Seva Samiti (Unlisted)

h) Other Membership/ Chairmanship of Committees of the Board as at date of this Notice

Solara Active Pharma Services Limited:

- Chairperson of CSR Committee
- Member of Audit Committee and Stakeholders' Relationship Committee

Sequent Scientific Limited

- Chairperson of Stakeholders' Relationship Committee
- Chairperson of Ethics Committee

i) Name of the listed entities from which appointee has resigned in the past three years:

NIL

2) S Sridhar (DIN: 00004272), Independent Director and Chairperson of Audit Committee

a) Brief resume, Qualifications, Experience and Nature of expertise in specific function

Mr. S Sridhar, aged 72 years, holds a Bachelor's Degree (Honors) in Physics from the Bengaluru University and a Master's degree in Physics from the Indian Institute of Technology, Delhi and Jamnalal Bajaj Institute of Management Studies, Mumbai. He also holds an honorary fellowship award by the Indian Institute of Banking and Finance.

Sridhar was elected Fellow of the Royal Institute of Chartered Surveyors, U.K. He is a banker with over 50 years' experience in commercial and development banking. He is widely acknowledged to be an innovative, market-oriented banker and a strategic thinker having provided transformational leadership to the organisations he had worked for.

Sridhar started his career with State Bank of India. He retired as the Chairperson and Managing Director of Central Bank of India. He was also the Chairperson and Managing Director of National Housing Bank (NHB). He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers.

b) Terms and conditions of Appointment/ Reappointment at Strides

Sridhar is associated with Strides since July 27, 2012.

He was appointed as Independent Director (ID) for a term of five years effective September 9, 2014. He was further re-appointed as ID for a second term of five years effective July 30, 2019.

Details of sitting fees and Commission paid to Mr. S Sridhar is provided in the explanatory note for Item 4 and 5 of the AGM Notice in this matter and in Annexure 2.

c) Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner

- **Direct Shareholding:** 48,750 equity shares representing (~0.05%) of the paid-up equity share capital of the Company.
- **Indirect shareholding:** None

d) Relationship with other directors, Managers and Key Managerial Personnel of the Company

Sridhar is not related to any other Director, Manager and KMP of the Company.

e) **Number of Board and Committee Meetings attended during FY 2022-23 of Strides**

- **Board Meetings:** 6 out of 6;
- **Audit Committee Meetings:** 6 out of 6;
- **Nomination and Remuneration Committee Meetings:** 5 out of 5;
- **Stakeholders' Relationship Committee Meetings:** 4 out of 4; and
- **Risk Management Committee Meetings:** 3 out of 3.

f) **Membership/ Chairmanship of the Committees of Strides**

Chairperson of Audit Committee and

Member of NRC, RMC and Stakeholders' Relationship Committee

g) **Directorship held in other Companies as at date of this Notice**

Independent Director

a) Go Fashion (India) Limited (Chairperson of Board) (Listed)
b) Jubilant Pharmova Limited (Listed)
c) Shriram Finance Limited (Listed)
d) IIFL Home Finance Limited (Chairperson of Board) (Unlisted)
e) BSE Administration & Supervision Limited (Unlisted)
f) GVFL Trustee Company Private Limited (Unlisted)

Non-Executive Director

a) Strategic Research and InformationCapital Services Private Limited (Unlisted)
b) Evyavan Assets Management Limited (Unlisted)
c) Evyavan Capital Advisors Limited (Unlisted)
d) Universal Trusteeship Services Limited (Unlisted)
e) Universal Trustees Private Limited (Unlisted)

h) **Other Membership/ Chairmanship of Committees of the Board as at date of this Notice**

Jubilant Pharmova Limited:

- Chairperson of Audit Committee and Stakeholders' Relationship Committee
- Member of RMC and CSR Committee

IIFL Home Finance Limited (NCD listed)

- Chairperson of Audit Committee and IT Strategy Committee
- Member of NRC

Shriram Finance Limited

- Chairperson of Audit Committee and IT Strategy Committee
- Member of RMC and Securities Issuance Committee

Go Fashion (India) Limited

- Member of Audit Committee

i) **Name of the listed entities from which appointee has resigned in the past three years**

- Resigned as a Director of DCB Bank Limited effective October 11, 2020

3) Bharat Shah (DIN: 00136969), Independent Director and Chairperson of Nomination and Remuneration Committee and Stakeholders' Relationship Committee

a) Brief resume, Qualifications, Experience and Nature of expertise in specific function

Mr. Bharat Shah, aged 76 years, holds a Bachelor's Degree in Science from University of Mumbai and a Diploma in Applied Chemistry from Borough Polytechnic, London.

Bharat has extensive experience and expertise in the financial services sector and has expertise in the fields of banking, finance, real estate and securities market.

Mr. Shah has been with HDFC Bank since its inception and has played a key role in the formation of the bank. He joined HDFC Bank as an Executive Director in December 1994.

Presently, he is the Chairman of 3M India Limited and Exide Industries Limited.

b) Terms and conditions of Appointment/ Reappointment at Strides

Bharat was appointed as Non-Executive/ Non-Independent Director of the Company on July 25, 2014. He was re-designated as an Independent Director (ID) with effect from June 15, 2016 for a term of five years.

Approval of Shareholders was received on January 14, 2022 through Postal Ballot, for continuation of directorship of Bharat as an ID beyond the age of 75 years, in line with Regulation 17(1A) of SEBI Listing Regulations.

Bharat was re-appointed for a second term of three years as ID effective June 15, 2021.

Details of sitting fees and Commission paid to Mr. Bharat Shah is provided in the explanatory note for Item 4 and 5 of the AGM Notice in this matter and in Annexure 2.

c) Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner

- **Direct Shareholding:** 76,424 equity shares representing (~0.08%) of the paid-up equity share capital of the Company.
- **Indirect shareholding:** NIL

d) Relationship with other directors, Managers and Key Managerial Personnel of the Company

Bharat is not related to any other Director, Manager and KMP of the Company.

e) Number of Board and Committee Meetings attended during FY 2022-23 of Strides

- **Board Meetings:** 6 out of 6;
- **Audit Committee Meetings:** 6 out of 6;
- **Nomination and Remuneration Committee Meetings:** 5 out of 5;
- **Stakeholders' Relationship Committee Meetings:** 4 out of 4; and
- **Risk Management Committee Meetings:** 3 out of 3.

f) Membership/ Chairmanship of the Committees of Strides

Chairperson of NRC and Stakeholders' Relationship Committee

Member of Audit Committee and RMC

g) Directorship held in other Companies as at date of this Notice

Independent Director

a) 3M India Limited (Chairperson of Board) (Listed)
b) Exide Industries Limited (Chairperson of Board) (Listed)

Non-Executive Director

a) Salisbury Investments Private Limited (Unlisted)

h) Other Membership/ Chairmanship of Committees of the Board as at date of this Notice

3M India Limited:

- Chairperson of Stakeholders' Relationship Committee and CSR Committee
- Member of Audit Committee, NRC and RMC

Exide Industries Limited

- Chairperson of CSR Committee

i) Name of the listed entities from which appointee has resigned in the past three years

- Mahindra Lifespace Developers Limited – resigned effective July 31, 2021
- Spandana Sphoorty Financial Limited – resigned effective April 12, 2023

4) Homi Rustam Khusrokhan (DIN: 00005085), Independent Director and Chairperson of Risk Management Committee

a) Brief resume, Qualifications, Experience and Nature of expertise in specific function

Mr. Homi Khusrokhan, aged 79 years, is the Independent Director of the Company and is associated with the Company since May 2017. Homi is a Fellow member of the Institute of Chartered Accountant of India since 1966 and was a rank-holder. He studied at the Sydenham College of Commerce and Economics and obtained a B. Com (Hons.) from the University of Mumbai in 1963. He also studied at the London School of Economics and Political Science between 1966-68 and obtained degree of M.Sc. (Econ.), in Accounting and Finance. Homi has over 40 years' experience in the corporate sector (29 years of which were with the Glaxo Group of Companies).

He was the Managing Director of Glaxo and Burroughs Wellcome in India from 1996-2000. During his stewardship, in 1999, Glaxo was rated as India's Most Respected Company across all industries by Business World. Homi moved on to become the Managing Director of Tata Tea Limited; and later Managing Director of Tata Chemicals Limited. Both the Tata Companies became the world's 2nd largest Companies in Tea and Soda Ash during his tenure by virtue of major international acquisitions.

Homi has served as an Independent Director in several companies, including Rallis India Ltd, Fulford India Ltd, and ICICI Bank Limited. In 2009, Homi was appointed as a Special Advisor to the Government-Appointed Board of Satyam Computer Services Ltd, which was tasked to resuscitate and find a new owner for the company. He has worked with various Industry Organisations and Chambers of Commerce. He was President of the Organisation of Pharmaceutical Producers of India and Vice-President of the Bombay Chamber of Commerce and Industry.

Apart from his experience and expertise in pharmaceuticals, he has knowledge of consumer products, agriculture related business, specialty chemicals and has also managed several international businesses by virtue of the mergers and acquisitions made during his tenure in the Tata Group. He retired from the Tata Group in 2008 and is now a Senior Advisor to Tata Capital's Private Equity Funds.

He was the Governor of Maharashtra's nominee to the Executive Committee of Indian Red Cross Society, Maharashtra State Branch in 2011. He was appointed Vice-Chairman in 2015 and elected Chairman in 2022. He is also an elected member of the National Managing Body of the Society.

b) Terms and conditions of Appointment/ Reappointment at Strides

Homi was appointed as an Independent Director (ID) of the Company for a term of five years effective May 18, 2017.

Approval of Shareholders was sought at the AGM held on September 24, 2018, for continuation of directorship of Homi as an ID beyond the age of 75 years, in line with Regulation 17(1A) of SEBI Listing Regulations.

Further, he was re-appointed for a second term of five years as ID effective May 18, 2022.

Details of sitting fees and Commission paid to Mr. Homi Khusrokhan is provided in the explanatory note for Item 4 and 5 of the AGM Notice in this matter and in Annexure 2.

c) Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner

NIL

d) **Relationship with other directors, Managers and Key Managerial Personnel of the Company**

Homi is not related to any other Director, Manager and KMP of the Company.

e) **Number of Board and Committee Meetings attended during FY 2022-23 of Strides**

- **Board Meetings:** 6 out of 6;
- **Audit Committee Meetings:** 6 out of 6;
- **Nomination and Remuneration Committee:** 5 out of 5;
- **CSR Committee:** 3 out of 3; and
- **Risk Management Committee:** 3 out of 3.

f) **Membership/ Chairmanship of the Committees of Strides**

Chairperson of RMC and

Member of Audit, CSR Committee and NRC

g) **Directorship held in other Companies as at date of this Notice**

Independent Director

a) Neuland Laboratories Limited (Listed)
b) Samson Maritime Limited (Unlisted)
c) The Anglo Scottish Education Society (Unlisted)

h) **Other Membership/ Chairmanship of Committees of the Board as at date of this Notice**

Neuland Laboratories Limited

- Chairperson of Audit and RMC

Samson Maritime Limited

- Chairperson of Audit, CSR and NRC

i) **Name of the listed entities from which appointee has resigned in the past three years**

NIL

5) Deepak Vaidya (DIN: 00337276), Non-Executive Director

a) **Brief resume, Qualifications, Experience and Nature of expertise in specific function**

Mr. Deepak Vaidya, aged 78 years, holds a bachelor's degree in Commerce from Bombay University and is also a fellow member of the Institute of Chartered Accountants, England and Wales, UK and has over 30 years of experience in the corporate financial services industry in India and abroad.

Deepak was the Country Head of Schroder Capital Partners (Asia) Ltd in India for 12 years and is on the Board of various companies in Pharma and Service sectors. He also served as a member of International Markets Advisory Board of the NASDAQ Stock Market.

b) **Terms and conditions of Appointment/ Reappointment at Strides**

Deepak was associated with Strides since January 16, 1998 as a Non-Executive Director of the Company.

Approval of Shareholders was sought at the AGM held on July 30, 2019 for continuation of directorship of Deepak as a Non-Executive Director of the Company beyond the age of 75 years, in line with Regulation 17(1A) of SEBI Listing Regulations.

Owing to pre-occupation, Deepak resigned from the Board of Strides effective November 14, 2022.

Details of sitting fees and Commission paid to Mr. Vaidya is provided in the explanatory note for Item 4 and 5 of the AGM Notice in this matter and in Annexure 2.

c) **Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner**

- **Direct Shareholding:** NIL
- **Indirect shareholding:** 44,592 equity shares representing (~0.05) % of the paid-up equity share capital of the Company.

d) **Relationship with other directors, Managers and Key Managerial Personnel of the Company**

Deepak is not related to any other Director, Manager and KMP of the Company.

e) **Number of Board and Committee Meetings attended during FY 2022-23 of Strides**

- **Board Meetings:** 4 out of 4;
- **Audit Committee Meetings:** 3 out of 3;
- **NRC Meetings:** 4 out of 4;
- **Stakeholders' Relationship Committee Meetings:** 3 out of 3;
- **CSR Committee Meetings:** 2 out of 2; and
- **RMC Meetings:** 2 out of 2.

f) **Membership/ Chairmanship of the Committees of Strides**

During April 2022 to November 2022, Deepak was Chairperson of Stakeholders' Relationship Committee and Member of Audit, NRC, CSR and RMC.

g) **Directorship held in other Companies as at date of this Notice**

Independent Director

a) Indraprastha Medical Corporation Limited (Listed)
b) API Holdings Limited (Unlisted)
c) UTI Capital Private Limited (Unlisted)
d) Criss Financial Limited (Chairperson of Board) (Unlisted)

Non-Executive Director

a) Spandana Sphoorty Financial Limited (Listed)
b) Apollo Multispeciality Hospitals Limited (Unlisted)
c) Marudhar Hotels Private Limited (Unlisted)

h) **Other Membership/ Chairmanship of Committees of the Board as at date of this Notice**

Indraprastha Medical Corporation Limited

- Member of Audit Committee

Spandana Sphoorty Financial Limited

- Member of Audit Committee, Stakeholders' Relationship Committee and NRC

Apollo Multispeciality Hospitals Limited

- Chairperson of Audit, CSR and NRC

API Holdings Limited

- Chairperson of NRC
- Member of Audit Committee

UTI Capital Private Limited

- Member of Audit Committee

Criss Financial Limited

- Chairperson of NRC and
- Member of Audit, CSR and RMC

i) **Name of the listed entities from which appointee has resigned in the past three years**

- Strides Pharma Science Limited effective November 14, 2022
- Solara Active Pharma Sciences Limited effective August 4, 2021
- Bombay Oxygen Investments Limited effective March 15, 2021

NOTES

1) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**Act**) with respect to the special businesses' forms part of the Notice.

   Board of Directors of the Company on May 25, 2023, considered the special businesses under Items 4 to 8 to be transacted at the AGM of the Company.

2) The Ministry of Corporate Affairs (**MCA**), Government of India, vide its General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/ 2020 dated April 13, 2020, General Circular No. 20/ 2020 dated May 05, 2020, and General Circular No. 10/ 2022 dated December 28, 2022 (collectively "**General Circulars**") and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020 and SEBI/ HO/ CFD/ PoD-2/ P/ CIR/ 2023/ 4 dated January 5, 2023 (collectively **SEBI Circulars**), have permitted companies to conduct General Meetings through Video Conference (**VC**) or Other Audio-Visual Means (**OAVM**) upto September 30, 2023, subject to compliance of various conditions mentioned therein.

3) In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), General Circulars and SEBI Circulars, AGM of the Company is being held through VC/ OAVM. Shareholders can attend and participate in the AGM through VC/ OAVM only.

   In compliance with the General Circulars, Notice of the 32nd AGM along with the Annual Report for FY 2022-23, are being sent only through electronic mode to those Shareholders whose email IDs are registered with the Company/ Depositories/ Depository Participants/ RTA. The communication of assent/ dissent of the Shareholders shall take place only through e-voting.

   Shareholders may note that the AGM Notice and Annual Report for FY 2022-23 shall also be available on the Company's website www.strides.com ; website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFIN Technologies Limited (Formerly known as KFIN Technologies Private Limited) **(KFintech/ RTA)** at https://evoting.kfintech.com .

   Shareholders who require printed copy of the Annual Report may write to the RTA/ Company at einward.ris@kfintech.com or investors@strides.com.

   Deemed venue for the AGM shall be Registered Office of the Company.

   Company has appointed M/s. KFIN Technologies Limited (Formerly known as KFin Technologies Private Limited), Registrars and Transfer Agents of the Company, to provide VC/ OAVM facility for AGM of the Company.

   Further, in compliance with the provisions of Section 108 of the Act read with relevant Rules, Secretarial Standard on General Meetings (SS-2), Regulation 44 of Listing Regulations and General Circulars, the facility for remote e-voting and e-voting in respect of the businesses to be transacted at the AGM is being provided by the Company through KFintech.

   General instructions for accessing and participating in the AGM through VC/ OAVM Facility and voting through electronic means including remote e-voting is enclosed as **Annexure A.**

4) **AGM Live Webcast and two-way conference Facility**

   Pursuant to Regulation 44 of Listing Regulations and para 3 Clause A (III) of General Circular No. 14/ 2020 dated April 8, 2020 issued by MCA, Government of India, the Company has made arrangements for two-way live webcast of the proceedings of AGM.

   Details of webcast link shall be made available on the website of the Company at www.strides.com

   Facility for joining the AGM through VC/ OAVM shall be open 30 minutes before the scheduled time for commencement of AGM and shall be closed 30 minutes after such scheduled time.

5) **In view of AGM being held by VC/ OAVM**

   i) Physical attendance of Shareholders has been dispensed with;

   ii) The facility for appointment of proxies by the Shareholders shall not be available for the AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice;

iii) Shareholders attending the AGM through VC shall be counted for the purpose of reckoning quorum under Section 103 of the Act; and

iv) Route map for the location of the meeting is not provided.

6) Dividend for FY 2022-23

Board of Directors of the Company in their meeting held on May 25, 2023 have recommended a Dividend of ₹1.50/- per equity share of face value of ₹10/- each for the Financial Year ended March 31, 2023, subject to approval of Shareholders of the Company at the ensuing AGM.

Record Date for entitlement of dividend is **Friday, August 4, 2023**. The said dividend will be paid within 30 days from the date of declaration, subject to deduction of tax at source.

Dividend, if approved by Shareholders, will be paid within 30 days from the date of approval.

Payment of Dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Demand drafts will be dispatched to the registered address of the Shareholders who have not updated their bank account details.

7) **Members who have multiple folios in identical names or joint names** in the same order are requested to intimate the RTA about these folios to enable consolidation of all such shareholdings into one folio.

8) KYC updation

To prevent fraudulent transactions, Shareholders are advised to exercise due diligence and notify the Company of any change in address, as soon as possible. Further, in case of demise of a Shareholder, their legal heirs are requested to notify the Company, at their earliest convenience.

Shareholders are also advised to keep their demat accounts active. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified from time to time.

9) **Non-Resident Indian Shareholders** are requested to inform RTA/ respective Depository participants, immediately of any:

a) Change in their residential status on return to India for permanent settlement; and

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN code, if not furnished earlier.

10) Furnishing of PAN, KYC details and Nomination by holders of physical securities

SEBI has mandated submission of PAN by every participant in the securities market.

Shareholders holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants.

Further, SEBI vide their Circular dated November 3, 2021, December 14, 2021 and March 16, 2023 has mandated furnishing of PAN, email address, mobile number, bank account details and nomination by holders of physical securities. SEBI is also mandating shareholders to link their PAN with their Aadhar number.

RTA/ Company shall consider any service request such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc., only upon registration of PAN, Bank details and Nomination.

11) Freezing of Folios without PAN, KYC details and Nomination

a. **Effective October 1, 2023** – In case a holder of physical securities fails to furnish PAN, KYC and Nomination details or link their PAN with Aadhaar before the due date, RTA is obligated to freeze such folios.

Securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents.

b. **Effective January 1, 2026,** frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/ or Prevention of Money Laundering Act, 2002.

12. Shareholders holding shares in electronic form and who have not updated their PAN are requested to submit the details to their Depository Participants.

Shareholders holding shares in physical mode and who have not updated their details as above are requested to furnish the documents/ details, as per the table below, to the RTA at their earliest convenience:

Type of Holder	Particulars	Form
Physical	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes/ update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	Declaration to opt out of Nomination	Form ISR-3
	Form for requesting issuance of Duplicate Certificate for shares held in physical form	Form ISR-4
	Request for transmission of Securities by Nominee or Legal Heir	Form ISR-5
	Nomination form	Form SH-13
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
Demat	Shareholders to contact their Depository Participants and register their email address and bank account details in their demat account by following the due process, as advised by the Depository Participants.	

The aforesaid forms can be downloaded from the website of the Company and RTA at:

https://www.strides.com/Shareholders_service_request.html and https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd

Shareholders are requested to forward the duly filled in and executed documents along with the related proofs as mentioned in the respective forms to the following address:

KFIN Technologies Limited
(Formerly known as KFin Technologies Private Limited),
Unit: Strides Pharma Science Limited
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Toll Free No.: 1800 309 4001
E-mail: einward.ris@kfintech.com

13) **Email Registration**

Shareholders who have not registered their email IDs with the Depository Participants, are requested to register their email IDs with their Depository Participants in respect of shares held in electronic form.

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/ HO/ MIRSD/ MIRSD-PoD-1/ P/ CIR/ 2023/ 37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers.

It shall be mandatory for the security holders to provide mobile number.

Moreover, to avail online services, the security holders can register e-mail ID.

Holder can register/ update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link:

https://ris.kfintech.com/clientservices/isc/default.aspx

ISR Form(s) and the supporting documents can be provided by any one of the following modes:

a) Through 'In Person Verification' (IPV): the authorised person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials;

b) Through hard copies which are self-attested, which can be shared on the address below;

Name	KFIN Technologies Limited Unit: Strides Pharma Science Limited
Address	Selenium Building, Tower-B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

c) Through electronic mode with e-sign by following the link:

https://ris.kfintech.com/clientservices/isc/default.aspx#

Detailed FAQ can be found on the link:

https://ris.kfintech.com/faq.html

14) Transfer of Shares

In terms of Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019.

Further, as an ongoing measure to enhance ease of dealing in securities by investors, SEBI vide its Circular of January 25, 2022, has mandated listed companies to issue securities in demat form only while processing service requests such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc.

In terms of the said Circular,

1. Claimant/ Securities Holder shall submit their request in Form ISR-4 (hosted on website of Company and RTA) along with requisite documents and details;
2. RTA shall verify the request and documents submitted and thereafter issue a **Letter of Confirmation (LoC)** in lieu of physical securities certificates to the Claimant/ Securities Holder within 30 days of receipt of such request;
3. LoC shall be valid for a period of 120 days from the date of its issuance;
4. Claimant/ Securities Holder to make a request to the Depository Participant for dematerialising the said securities;
5. In case the Claimant/ Securities Holder fails to submit the demat request within the prescribed period, such shares shall be credited to the Suspense Escrow Demat Account of the Company;
6. Claimant/ Securities Holder to reinitiate the process for claiming shares from the Suspense Escrow Demat Account of the Company.

15) KPRISM from KFintech, RTA

Shareholders are requested to note that our Registrar and Share Transfer Agent, KFintech has a mobile app named 'KPRISM' and a website https://kprism.kfintech.com/ for the members holding shares in physical form.

Members can download this android mobile application from play store and view their portfolios serviced by KFintech.

In addition, members may also visit the Investor Support Center (ISC) webpage at https://ris.kfintech.com/clientservices/isc/default.aspx and access various services such as post or track a query, upload tax exemptions forms, view the demat/ remat request, check the dividend status, download the required ISR forms and check KYC status for physical folios, among others.

16) Unclaimed Dividends and Transfer of Dividend and Shares to Investor Education and Protection Fund (IEPF)

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (**IEPF Rules**), Dividends not encashed/ claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

IEPF Rules mandates companies to transfer shares of Shareholders whose Dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. Shareholders whose Dividend/ shares are transferred to the IEPF Authority can claim their shares/ Dividend from the Authority.

In accordance with the said IEPF Rules and its amendments, Company has sent reminders to respective Shareholders informing them to claim their unclaimed dividends and shares before it is transferred to IEPF. Transfer of Dividend/ Shares of Shareholders who responded to Company's correspondence was facilitated.

Shareholders may note that no claim shall lie with the Company in respect of unpaid/ unclaimed Dividends and related shares that are already transferred to IEPF. However, they may claim the same by following the procedure prescribed in the IEPF Rules at https://www.iepf.gov.in/IEPF/corporates.html.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

Company has uploaded details of unpaid/ unclaimed amounts lying with the Company and shares that are transferred to IEPF as at March 31, 2023 on the Company's website https://www.strides.com/investor-iepf.html.

17) Inspection of Documents

All documents referred in this AGM Notice shall be available for inspection electronically.

In addition, following documents shall also be available for inspection electronically:

- Certificate from the Secretarial Auditor relating to the Company's Stock Options under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.

Shareholders seeking to inspect the above documents can also send an email to investors@strides.com

18) Scrutiniser for the AGM

Mr. Gigi Joseph K J, Practicing Company Secretary (ICSI Membership No. F6483 and CP:5576) of M/s. Joseph and Chacko LLP, Company Secretaries, Bengaluru, has been appointed as the Scrutiniser to scrutinise the remote e-voting process and e-voting at the AGM in a fair and transparent manner.

Scrutiniser shall submit his Report on the resolutions proposed to be passed at the AGM to the Chairperson or Company Secretary of the Company after completion of the scrutiny.

Results of the meeting along with Scrutiniser Report shall be declared by the Chairperson or the Company Secretary of the Company on or before Wednesday, August 30, 2023 and shall be communicated to BSE Limited and The National Stock Exchange of India Limited ("Stock Exchanges") where the equity shares of the Company are listed.

Results of the meeting shall also be displayed on the notice board at the Registered Office of the Company for a period of 3 (Three) days, on the Company's website at www.strides.com and on the website of Kfintech at https://evoting.kfintech.com/.

Annexure A

General instructions for accessing and participating in the AGM through Video Conference/ Other Audio-Visual Means (VC/ OAVM) Facility and voting through electronic means including remote e-voting

I PROCEDURE FOR REMOTE E-VOTING

1) In compliance with the provisions of Section 108 of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of Listing Regulations and in terms of SEBI Circular No. SEBI/ HO/ CFD/ CMD/ CIR/ P/ 2020/ 242 dated December 9, 2020 in relation to e-voting Facility provided by Listed Entities, Shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by KFIN Technologies Limited (Formerly, KFin Technologies Private Limited) (KFintech/ RTA), on the Resolutions set forth in this Notice.

2) Shareholders whose names appear in the Register of Members/ list of Beneficial Owners as on **Monday, August 21, 2023 (Cut-off Date)**, are entitled to vote on the Resolutions set forth in this Notice.

   Voting rights of the Shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as at the Cut-off date.

   A person who is not a Shareholder as at the Cut-off date should treat this Notice for information purposes only.

   Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

   In case of joint holders, the Shareholder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

   Shareholders are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

   The e-voting facility will be available during the following period:

   - **Commencement of e-voting:** 09:00 hrs IST on Wednesday, August 23, 2023;
   - **End of e-voting:** 17:00 hrs IST on Sunday, August 27, 2023.

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote-e-voting module shall be forthwith disabled by KFintech upon expiry of the aforesaid period.

The process and manner of e-voting shall be as under:

Step 1: Access to Depositories e-voting system in case of individual Shareholders holding shares in demat mode.

Step 2: Access to KFintech e-voting system in case of Shareholders holding shares in physical form and non-individual Shareholders in demat mode.

2.1) Details on Step 1 are mentioned below:

Login method for remote e-voting for Individual Shareholders holding securities in demat mode.

NSDL	Individual Shareholders holding securities in demat mode with NSDL
I.	**Instructions for existing Internet-based Demat Account Statement ("IDeAS") facility Users:** 1) Visit the e-services website of NSDL https://eservices.nsdl.com. 2) On the e-services home page, click on the "**Beneficial Owner**" icon under "Login" under 'IDeAS' section. 3) A new page will open; Enter existing user ID and password for accessing IDeAS. 4) After successful authentication, members will be able to see e-voting services under 'Value Added Services'. 5) Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. 6) Click on Company name, i.e., '**Strides Pharma Science Limited**', or e-voting service provider, i.e., KFintech. 7) Members will be re-directed to KFintech's website for casting their vote during the remote e-voting period.

II. **Instructions for those Members who are not registered under IDeAS:**

1) Visit https://eservices.nsdl.com for registering.
2) Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3) Visit the e-voting website of NSDL https://www.evoting.nsdl.com/.
4) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open.
5) Members will have to enter their User ID (i.e., the sixteen digits demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.
6) After successful authentication, members will be redirected to NSDL Depository site wherein they can see e-voting page.
7) Click on company name, i.e., '**Strides Pharma Science Limited**' or e-voting service provider name, i.e., KFintech, after which the member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period.

III. **Users may alternatively vote by directly accessing the e-Voting website of NSDL**

1) Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2) Click on the icon "Login" which is available under 'Shareholder/ Member' section.
3) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.
4) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.
5) Click on company name, i.e., '**Strides Pharma Science Limited**' or e-voting service provider name, i.e., KFintech, after which the member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period.

NSDL Mobile App

Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code for seamless voting experience.

NSDL Mobile App is available on

App Store   Google Play

CDSL **Individual Shareholders holding securities in demat mode with CDSL**

I. **User who have opted for CDSL Easi/ Easiest facility**, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication.

The users to login to Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab.

After successful login, Easi/ Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company.

On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting, as applicable.

Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.

II. **If the user is not registered for Easi/ Easiest**, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option.
On completion of the registration formality, follow the steps provided above.

III. **User may alternatively vote through the e-voting website of CDSL** in the manner specified below:

a) Visit the URL: www.cdslindia.com
b) Enter the demat account number and PAN.
c) Enter OTP received on mobile number and email ID registered with the demat account for authentication.
d) Post successful authentication, the Member will receive links for the respective e-voting service provider, i.e., KFintech where the e-voting is in progress.

Individual Shareholders login through their demat accounts/ Website of Depository Participant

1) Members can login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.
2) Once logged-in, members will be able to view e-voting option.
3) Upon clicking on e-voting option, members will be redirected to the NSDL/ CDSL website after successful authentication, wherein they will be able to view the e-voting feature.
4) Click on options available against '**Strides Pharma Science Limited**' or KFintech.
5) Members will be redirected to e-voting website of KFintech for casting their vote during the remote e-voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use 'Forgot user ID' and 'Forgot Password' option available at respective websites.

Helpdesk for individual members holding securities in demat mode for any technical issues related to login through NSDL/ CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or Contact at Toll free no.: 1800 1020 990/ 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or Contact at Toll free no.: 1800 22 55 33

2.2) Details on Step 2 are mentioned below:

Login method for Shareholders holding shares in physical form and non-individual Shareholders in demat mode

(A) Instructions for Members whose email IDs are registered with the Company/ Depository Participant(s)

Members whose email IDs are registered with the Company/ Depository Participants will receive an email from KFintech which will include details of E-voting Event Number (EVEN), USER ID and password.

They will have to follow the following process:

a) Launch internet browser by typing the URL: https://evoting.kfintech.com/

b) Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN followed by folio number.

c) In case of Demat account, User ID will be your DPID and Client ID.

d) However, if a member is registered with KFintech for e-voting, they can use their existing User ID and password for casting the vote.

e) After entering these details appropriately, click on "LOGIN".

f) Members will now reach password change Menu wherein they are required to mandatorily change the password.

g) The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,).

h) The system will prompt the member to change their password and update their contact details viz., mobile number, email ID etc.

i) On first login, Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that members do not share their password with any other person and that they take utmost care to keep their password confidential.

j) Members would need to login again with the new credentials.

k) On successful login, the system will prompt the member to select the "EVEN", viz., '**Strides Pharma Science Limited**', and click on "Submit".

l) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, a member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed the total shareholding as mentioned herein above.

m) A member may also choose the option ABSTAIN.

n) If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

o) Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat account.

p) Members may then cast their vote by selecting an appropriate option and click on "Submit".

q) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify.

r) Once members have voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the Resolution.

s) Corporate/ Institutional members (corporate/ FIs/ FIIs/ trust/ mutual funds/ banks, etc.,) are required to send scanned copy (pdf format) of the relevant board resolution to the Scrutiniser through e-mail to gigi@jandc.in with a copy to evoting@kfintech.com.

t) The file scanned image/ pdf file of the board resolution should be in the naming format "Corporate Name".

(B) Instructions for Members whose email IDs are not registered with the Company/ Depository Participant(s), and consequently the AGM Notice and e-voting instructions cannot be serviced:

Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, members may write to einward.ris@kfintech.com.

II INSTRUCTIONS FOR ATTENDING THE AGM OF THE COMPANY THROUGH VC/ OAVM AND E-VOTING DURING THE MEETING

(i) Shareholders shall be provided with a facility to attend the AGM through VC/ OAVM platform provided by KFintech. Shareholders may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/ KFintech.

The link for e-AGM will be available in Shareholders login, where the EVENT and the name of the Company can be selected.

Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Shareholders who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.

(ii) Shareholders are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.

Further, Shareholders registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.

Shareholders may join the meeting using headphones for better sound clarity.

While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc., may at times experience audio/ video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

(iii) Facility of joining the AGM through VC/ OAVM shall be available for at-least 1,000 Shareholders on first come first served basis.

However, the above restriction shall not be applicable to Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinisers etc.

Institutional Shareholders are encouraged to attend and vote at the AGM through VC/ OAVM.

(iv) Facility for joining the AGM through VC/ OAVM will be open 30 minutes before the scheduled time for commencement of AGM and shall be closed 30 minutes after such scheduled time.

Only bonafide Shareholders of the Company whose names appear on the Register of Members, will be permitted to attend the meeting through VC/ OAVM.

The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-Shareholders from attending the meeting.

(v) A Shareholder can opt for only single mode of voting i.e., through remote e-voting or e-voting at the AGM.

If a Shareholder cast votes by both modes, then voting done through remote e-voting shall prevail and voting at the AGM shall be treated as invalid.

Shareholders who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/ OAVM platform. Shareholders may click on the voting icon displayed on the screen to cast their votes.

(vi) Speaker Registration and Post your Questions facility

Shareholders, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' during the period starting from Wednesday, August 23, 2023 (09:00 hrs IST) up to Saturday, August 26, 2023 (17:00 hrs IST).

Only those members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM.

Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Only questions of the members holding shares as on the Cut-off date will be considered.

A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/, under the "How It Works" tab placed on top of the page.

Members who need technical assistance before or during the AGM can contact RTA at emeetings@kfintech.com or Helpline: 1800 309 4001.

(vii) In case a person has become a member of the Company after dispatch of AGM Notice but on or before the Cut-off date for e-voting, he/ she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-voting Event Number (EVEN) + Folio No. or DP ID Client ID to +91 9212993399

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE> XXXX1234567890

If email ID of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members may send an email request to einward.ris@kfintech.com.

If the member is already registered with the KFintech e-voting platform then such member can use his/ her existing User ID and password for casting the vote through remote e-voting.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

(viii) In case of any query and/ or grievance, in respect of voting by electronic means through KFintech, Shareholders may:

- Refer to the Help and Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of https://evoting.kfintech.com ;or
- Contact Ms. Rajitha Cholleti, Deputy Vice President-Corporate Registry or Mr. Mohan Kumar A, Manager of M/s. KFIN Technologies Limited, Selenium, Tower B, Plot 31 and 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India; or
- Reach out to the Toll Free No.: 1800 309 4001; or E-mail: einward.ris@kfintech.com; evoting@kfintech.com

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Strides

Strides Pharma Science Limited

Prudence. Persistence.

Annual Report **2022-23**

Prudence. Persistence.

Over the past few years, we have faced our fair share of challenges in the ever-changing pharmaceutical landscape. Nevertheless, with our strong determination and prudent decision-making, we have navigated the challenges and achieved remarkable growth.

Our performance in FY 2022-23 bounced back with growth led by regulated markets. With improved volume in base products and good traction in newly launched products, the US business delivered strong growth. The Other Regulated Markets business also witnessed strong growth, particularly in Europe, with expanded product offerings and customer acquisition.

We diligently focused on optimising costs and enhancing operational efficiency during the year. We have made significant progress in improving our margins through initiatives like R&D cost optimisation, Alternate Vendor Development (AVD), and Cost Improvement Programs (CIPs). A seamless supply chain execution has further bolstered our efficiency.

Looking ahead, we are committed to building on the momentum of FY 2022-23 and enhancing the quality of our earnings in FY 2023-24 with faster growth from the emerging markets and new geographies. Our focus on optimising our manufacturing network and generating cash flow will strengthen our profitability and support our debt reduction efforts. While focusing on business growth, we strive to make a lasting impact on society and the environment by integrating sustainability into our core strategy. Through our sustainability initiatives, we aim to minimise our environmental footprint, enhance employee well-being, and contribute to community development, creating a positive and enduring legacy for the future.

Contents

Highlights FY 2022-23

Financial

₹37,042 Million
Revenue (20% y-o-y growth)

₹4,460 Million
EBITDA (100+% y-o-y growth)

₹714 Million*
PAT (100% y-o-y growth)

Non-financial

₹21.1 Million
CSR expenditure

2.23%
In-house clean energy generation of total consumption

*Reported PAT excluding share of loss of JV and associates and exceptional items

Strides at a glance

Over three decades of pharmaceutical excellence

Since our inception in 1990, we have emerged as a prominent global leader in the pharmaceutical industry, specialising in manufacturing niche generic formulations in various dosage forms. Throughout our journey, we have effectively utilised our strengths in three distinct target markets: regulated markets in the United States, Europe, and Australia, emerging markets, primarily in Africa, and donor-funded institutional business. This year, we expanded into new regions, including Asia-Pacific, the Middle East and North Africa, and Latin America.

With a diverse product portfolio encompassing various dosage forms, ranging from tablets to nasal sprays, we excel at developing and manufacturing specialised and technically complex pharmaceutical products. Our unwavering commitment to quality, continuous portfolio expansion via organic and inorganic strategies, and advanced IT-driven quality interventions have earned us a strong position in the global pharmaceutical market.

Vision

To be the leading Indian pharma multinational with a reputation for the highest quality and integrity.

Mission

With a differentiated portfolio focused on attaining leadership, we will provide an unparalleled opportunity for our people and value creation opportunity for our stakeholders.

Business verticals

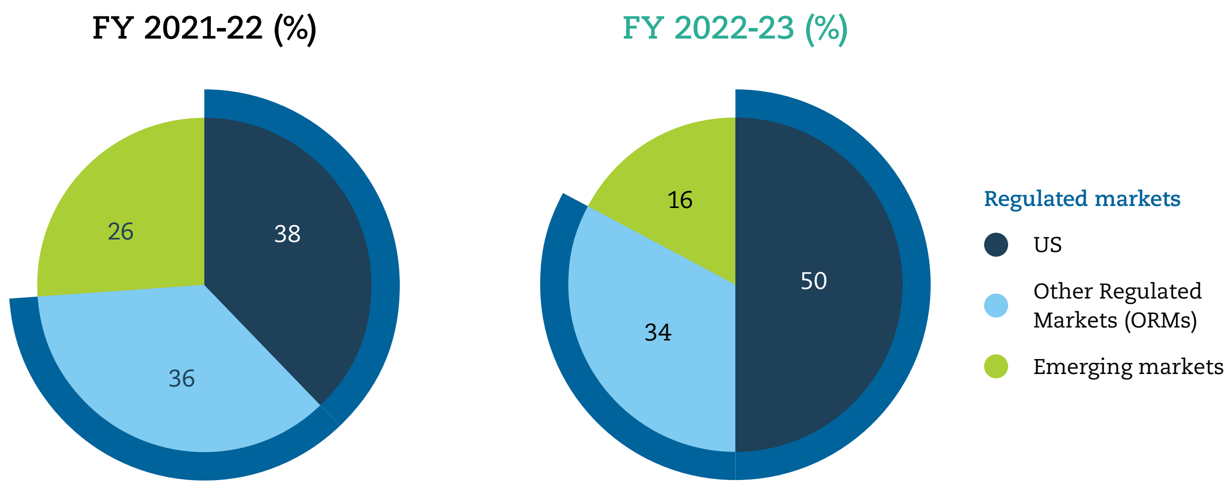
Regulated markets

- Presence across the US, European Union, the UK, and South Africa
- Strategic supplier in Australia to the largest generic company, Arrotex under a preferred supply agreement
- Seven manufacturing facilities

Emerging markets

- Focused markets of Africa with a portfolio of branded generics
- Catering to donor-funded programmes
- WHO pre-qualified manufacturing facility in Nairobi, Kenya

Market-wise revenue



Business model

Creating long-term value for stakeholders

Input resources

Financial capital
Through strategic allocation and optimisation of financial capital inputs, we aim to create tangible and lasting value for stakeholders.

₹ 66,384 Million
Balance sheet size

₹ 23,481 Million
Net debt

Manufacturing assets
Our manufacturing assets drive efficiency and compliance, ensuring high-quality production to meet market demands and exceed customer expectations.

8
Manufacturing plants

5
US FDA-approved facilities

Research and development
With exceptional capabilities in formulation and comprehensive understanding of regulatory landscapes, we have created a robust global portfolio.

280+
Cumulative ANDAs

Global R&D centre in India

Human resources
Our talent pool is a crucial asset, driving our success. Their exceptional technical acumen and scientific capabilities enable us to deliver high-quality products with strict compliance.

4,600+
Global workforce

Value creation process

Filling and approvals
We have a proactive approach to filing regulatory submissions for both regulated and emerging markets, and a consistent track record of obtaining approvals.

Strong compliance
Our compliance practices are at the forefront of the industry, leveraging best-in-class technologies to ensure adherence to regulatory standards.

Paperless operations
We have implemented robust platforms for end-to-end Product Lifecycle Management, enabling streamlined processes and eliminating the need for paper-based operations.

Global coverage
Our development dossiers are designed for flexibility and can be effectively utilised across targeted markets, allowing for efficient and seamless expansion of our product offerings.

Integrated go-to-market approach

Speed to market
Right first-time filings for faster approvals and go-to-market

Portfolio selection
Focus on difficult-to-develop and differentiated products

Diversified formats
Oral solids, oral liquids, topicals: Liquids, creams and ointments, nasals, soft gels, sachets, and modified release dosage formats

Business enablers

Manufacturing excellence
Read more page 12

R&D and innovation
Read more page 14

Quality compliance
Read more page 16

Technology and digitisation
Read more page 18

Value created

Shareholders and investors
Our commitment lies in delivering profitable, and sustainable returns.

Read more page 10

Customers
Through research & development, manufacturing and distribution of pharmaceutical products, we contribute to enhancing public health on a global scale.

Read more page 14

Communities
Our CSR initiatives are intended to improve lives by providing quality healthcare, empowering students to achieve their goals, and enhancing employability opportunities. Through Arogyadhama, we offer healthcare access to the underserved. We also promote education and employability to uplift underprivileged students individuals, fostering positive change in the communities we operate in.

Read more page 32

Employees
We are dedicated to fostering equal opportunities by providing comprehensive capability building, training, and ensuring a safe work environment for all our employees.

Read more page 26

Environment
Our focus lies in minimising our environmental impact through implementation of robust processes and adherence to best practices in waste management, energy efficiency, and addressing climate change.

Read more page 24

Geographical presence

Strong foothold over diverse markets

With our extensive global footprint, we supply products to over 100 countries. Our current focus is on fortifying our presence in established markets through new product launches from our approved portfolio. Additionally, we are actively expanding into new regions, further diversifying our market reach.

100+

COUNTRIES WE OPERATE IN

8

STATE-OF-THE-ART MANUFACTURING FACILITIES

Key authorisations

US Food and Drug Administration (US FDA)

UK Medicines and Healthcare products Regulatory Agency (MHRA)

World Health Organisation (WHO)

Therapeutic Goods Administration, Australia (TGA)

Brazilian Health Surveillance Agency (ANVISA)

Pharmaceuticals and Medical Devices Agency, Japan (PMDA)

Health Sciences Authority, Singapore (HSA)

1. Bengaluru, India
2. Bengaluru, India
3. Chennai, India
4. Puducherry, India
5. Singapore
6. Nairobi, Kenya
7. Milan, Italy
8. New York, United States

*Map not to scale

Executive Chairperson and Managing Director's message

Prudent decisions, persistent growth

> "We achieved a new record revenue of ₹37,042 Million in FY 2022-23, representing a significant 20% year-over-year increase."
>
> Arun

Dear Shareholders,

Last year, I returned to Strides in an executive role to manage our Company's state of affairs. After a difficult FY 2021-22, our Company entered the new fiscal year necessitating significant attention and a strategic reset to ensure a robust rebound, return to growth and profitability, and recommence cash flow generation.

FY 2022-23 demonstrated our Company's strength, and the DNA that establishes our foundation is robust and can withstand the test of time. We had to make several challenging decisions and implement many course-correction measures to make up for lost opportunities and regain business momentum. Our primary objective was to re-establish our Company's core tenet: to embark on a product strategy with cost leadership and well-established manufacturing and quality compliance led by our core ICE (Integrity, Collaboration, Efficiency) Values.

I'm happy to report that our efforts have been bearing fruit, with positive results across the board and a particularly encouraging uptick in our financial results. We have also implemented cost controls and other forms of executional discipline to guarantee the timely, complete, and efficient delivery of high-quality pharmaceutical products. Our simpler corporate structure, targeted initiatives, and increased overall efficiency contributed to a strong performance and paved the way for even more successful outcomes in the future.

Robust performance

We achieved a new record revenue of ₹37,042 Million in FY 2022-23, representing a significant 20% year-over-year increase.

The growth was driven by our strategic initiatives across key markets, particularly the US and the regulated markets of Europe.

Our robust performance across multiple markets reflects our sustained growth momentum and effective market strategies. We achieved record-breaking annual sales of US$232 Million in the United States, a staggering 58%* increase from US$157 Million in FY 2021-22, attributed to sustained market share momentum in key products and successful new product introductions.

*% change is in INR terms

The Other Regulated Markets have also seen significant sales growth, with the UK and the recently established B2B platform under synergICE leading the way. I am delighted to report record-breaking sales of US$157 Million in these markets during the year. The UK and other front-end markets have returned to their previous growth and profitability levels, demonstrating superior performance. Moreover, our B2B platform, synergICE, has experienced significant growth and is beginning to meet its objectives.

Regulatory clearance

The U.S. Food and Drug Administration (USFDA) inspections of our facilities throughout the year confirmed a clear compliance status for all our sites. Our Puducherry plant, which had been issued a warning notice by the USFDA in 2019, has been reclassified. This demonstrates that we are committed to upholding stringent quality controls and ensuring full conformity to regulatory standards.

Building resilience at Stelis

Stelis, the Biotech division of our Group, faced a challenging year due to various circumstances, including the geopolitical situation between Russia and Ukraine. Due to sanctions against Russia and the Russian Direct Investment Fund (RDIF), we had to write off our COVID-19 vaccine inventory, leading to a significant one-time loss. Nevertheless, we responded to the changing landscape with strong resilience and agility.

From a business standpoint, Stelis received an encouraging regulatory outcome from the European Medicines Agency (EMA) and USFDA, propelling its business development efforts forward.

While significant order wins have been concluded, the CDMO business's onboarding process takes longer. The new business would generate operating cash flow; however, revenue recognition will follow operational milestones and become consistent only after commercial supplies pick up. Consequently, in 12 to 18 months, Stelis anticipates a positive operating margin and sufficient cash flow to meet its obligations from CSA-driven revenue growth.

Focus areas for sustainable growth

As we eagerly anticipate FY 2023-24 opportunities, our strategic priorities remain centred on sustainable growth and value creation across our key markets. In regulated markets, we leverage our expertise in product introductions and forging strategic B2B partnerships to sustain our growth momentum. We will channel our R&D efforts towards launching new products from our pool of approved ANDAs, ensuring a diverse and competitive product portfolio. One of the key strategic initiatives is that we are aiming to scale up our US business by capitalising on improved volumes in base products and successful launch of new products. We will continue to maintain market leadership and mitigate pricing pressures by strategically positioning ourselves in niche therapies.

In the emerging markets, we have prioritised expanding our branded portfolio in Africa. By enhancing the productivity of our field force, we aim to drive growth and improve EBITDA flow-through. Our market penetration efforts will be accelerated in new regions, enabling us to broaden our portfolio and gain traction. We remain committed to maintaining our market share with donor-funded ARV and Malaria agencies in our access market business. To enhance our competitiveness, we will continue prioritising cost-improvement programmes through alternative API vendors, effectively reducing COGS and strengthening our position in the market. Furthermore, our commitment to cost savings and efficiency has yielded tangible benefits. Through initiatives such as R&D cost optimisation, Alternate Vendor Development (AVD), Cost Improvement Programs (CIPs), and streamlined supply chain execution, we have improved gross margins and achieved greater operational efficiency.

Making a lasting impact

We reaffirm our commitment to integrating sustainability efforts into our fundamental strategy and decision-making, taking on the challenge of climate change. Our goal is to create long-lasting value for our stakeholders well into the future, and we plan to achieve this by prioritising sustainability across our entire value chain. While there is still more work to be done, we are confident in our abilities to expand our sustainability efforts and make a meaningful and lasting impact on the world.

As part of our commitment to sustainability, we have implemented various initiatives to minimise our environmental footprint, promote employee well-being, and engage with local communities. Our CSR initiatives are focused on healthcare, education, and employability. In healthcare, we operate Arogyadhama, a multi-speciality health centre, to provide quality healthcare to over 11,940 individuals in rural Bengaluru. We promote education through programmes like LeAPS to motivate and empower students to achieve their goals. In addition, we invest in school infrastructure improvements and construct anganwadi centres. To promote employability, we empower underprivileged individuals to acquire vocational skills and find meaningful employment opportunities through NGO collaboration. Through these initiatives, we aim to make a positive difference in the lives of the communities we serve.

Way ahead

We remain focused on our strategic priorities, including scaling business in the US, reducing debt, optimising operational costs, driving product launches, and expanding our presence in emerging markets. Through network optimisation, market expansion, improved cash flow generation, and enhanced capital management, we anticipate a strong performance in FY 2023-24.

In closing, I want to express my gratitude to the hard-working employees, our respected board of directors, and all our stakeholders. We will keep pushing for expansion, delivering value, and moulding a stronger and brighter future.

Warm regards,

Arun

CFO’s review

Forging ahead with resilience

> “We improved all the critical processes of our Company with strong controls. This enabled us to reduce our cash-to-cash cycles in the front end and fix all leakages in a sustainable manner.”
>
> Badree

Dear Shareholders,

FY 2022-23 has been one of the busiest years for our Company in recent times. Coming from the most difficult year (FY 2021-22), our Company had to work very hard to bring confidence back across all stakeholders. As a CFO, the most difficult thing was to address the past, present and future issues at the same time. We had to fund the losses of the past, address the current by carefully planning the operations and fund the growth for future. The focus for the entire year was to execute seamlessly on the priorities laid out in last year’s Annual Report and I am very pleased to report the following:

- Daily governance and review cadence across our Company enabled us to focus on metrics which are relevant for the future and to avoid surprises. The cross-functional collaboration enabled us to achieve the metrics.
- We improved all the critical processes of our Company with strong controls. This enabled us to reduce our cash-to-cash cycles in the front end and fix all leakages in a sustainable manner. This contributed significantly to our bottom line.
- Cost Management: The governance was increased on every line item of costs through careful planning and inculcating cost management mindset across people. The overall Manpower costs and operating costs have been reset to much lower levels resulting in EBITDA margins of 16% in Q4.
- We reset all the low-margin businesses that did not add to the bottom line. We deconsolidated Universal Corporation Limited, Kenya (UCL) during the year. The growth returned to PLs which were dragging the overall performance. The turnaround is visible.
- The challenges of liquidity had been addressed very efficiently. We were able to meet all the commitments on time. Due to the focus on liquidity, growth has returned to all the markets we operate. The debt was maintained within a narrow range while there is an increase in the reported debt due to the depreciation of Rupee. Our Company took control over operations of Chestnut Ridge and had to fund the entire working capital. The working capital cycle improved by 18 days led by superior collection in the US, and liquidation of inventories in other markets.
- We improved all the metrics of Profitability, Efficiency, and Growth. In FY 2022-23, the gross margin increased by 463 basis points and operating costs reduced by 749 basis points, resulting in an EBITDA margin of ~12% (Q4FY23 - 16%). We believe that we have laid a strong platform for sustainable performance. The growth was achieved through timely launches which acquired the leading market share within a few quarters of launch.
- We engaged actively with all stakeholders including employees, bankers, vendors, customers and investors. Confidence is returning on our Company with the focus on consistency and sustainability.

> “The working capital cycle improved by 18 days led by superior collection in the US, and liquidation of inventories in other markets.”

- From an external standpoint, we are one of the few pharmaceutical companies to have been selected in the first tranche for availing the benefits of the Production Linked Incentive (PLI) scheme of the Government.
- With ever-changing regulations, our Company strengthened the compliance processes across the globe.

To summarise, FY 2022-23 was an eventful year with many lessons learnt. As we approach FY 2023-24, the key priorities for our Company are as follows:

1. Focus on Profitability, Efficiency, and Growth across all markets. We will continue our cost management efforts to stay competitive.
2. EPS accretion with Stelis aiming to achieve break even at EBITDA level in FY 2023-24. With increase in operating cash flows, we can see the interests cost coming down by the end of the year. We aim to achieve Debt/EBITDA ratio of around 3 in Q4.
3. Balance sheet strength: We will continue to focus on the various line items of the balance sheet to improve the return on capital employed.
4. Strengthen compliance: We will continue to keep bulls-eye focus on compliance considering that regulations are changing on a regular basis across the world.
5. ESG Compliance: While our Company has worked on many parts of ESG compliance, the focus will be to become the best-in-class in practice on ESG in the next two years.

I believe that all these above are achievable with relentless focus and execution.

I thank all the stakeholders for reposing confidence and standing by us in the most difficult year which went. I look forward to your continued support and guidance as we take the Strides to great heights.

Warm regards,

Badree

Manufacturing excellence

Building strong foundation for growth and resilience

In our pursuit to driving operational excellence, we focus on streamlining processes, enhancing efficiency, and leveraging our global manufacturing network. Our efforts to integrate capacities, optimise resources, and implement effective cost management strategies have yielded positive outcomes during the year.

FY 2022-23 snapshot

- Implemented robust initiatives to integrate our Indian and Chestnut Ridge facilities, optimising operations and facilitating product line transfers for enhanced efficiency.
- Aligned organisational resources and streamlined production capacities to effectively meet product portfolio requirements, improving operational effectiveness.
- Prioritised cost management and strategic allocation of resources to achieve optimal efficiency and financial stability.
- Optimised plant capacity utilisation, reducing under-utilisation and implementing effective inventory management practices for improved operational performance.

One of the notable highlights during the year was the successful transition of Endo-labelled products through meticulous planning and execution, ensuring a seamless transfer of products and capabilities.

We implemented a robust programme to integrate our Indian and Chestnut Ridge facilities. This initiative streamlined our operations and facilitated the transfer of product lines between these locations. Leveraging the strengths of our global manufacturing network, we optimised production to ensure cost-effectiveness and regulatory compliance. This strategic utilisation of our network enhanced our ability to deliver high-quality products to the market efficiently.

Manufacturing site changes

Our manufacturing strategy places a strong emphasis on local production for local markets, particularly in Africa. We have strategically transferred relevant product lines to our facility in Kenya, catering specifically to the institutional business. This approach enables us to align with regional requirements, leverage governmental support, and ensure greater customer satisfaction through reduced lead times.

Facility consolidation and strategic partnerships

As part of our continuous efforts to augment our manufacturing network, we initiated facility consolidation initiatives. We also pursue strategic partnerships to capitalise on shared resources and capabilities, further enhancing our overall efficiency and market competitiveness.

Right-sizing capacities and capabilities

Another key focus area was the right-sizing of our Company to align our capacities with the product portfolio and optimise our production capabilities. This involved a strategic move to change in shift operations, resulting in optimal capacity utilisation for the desired product volumes.

As part of the process, we took necessary steps to right-size our workforce, aligning it with the new operational requirements. We adhered to the guidelines set forth by the Worker Adjustment and Retraining Notification (WARN) Act and provided appropriate notifications, allowing individuals to acclimate to the changes during the designated orientation period. This responsible approach to workforce adjustment demonstrates our commitment to effective integration.

Cost optimisation and efficiency measures

During the year, we prioritised managing our operational expenditure and aligned our budget with strategic objectives. To enhance cost efficiency, we undertook specific actions to reduce operating expenses across various areas of our operations. Notably, we focused on logistics and supply chain improvements, aiming to upgrade these crucial components of our business. Through careful analysis and process enhancements, we achieved significant reductions in transit times and improved overall supply chain execution. Additionally, adopting data analytics and technology solutions, such as our MES log and e-batch recording systems, further streamlined our operations, enhancing efficiency and productivity.

Capacity utilisation and inventory management

Optimising our plant capacity has had a significant impact on both our financial performance and operational efficiencies. We achieved a harmonious balance between capacity utilisation and production requirements by aligning our infrastructure and capacities. We successfully reduced under-utilisation and enhanced overall operational effectiveness. These measures, in turn, positively influenced our financial performance, enabling us to generate sustainable results.

Maintaining optimal inventory level

Another important facet of our efforts involved diligently managing inventory levels and working capital. We undertook comprehensive measures to liquidate excess finished products, reducing stock levels and improving cash flow. Our focus on generating cash and reducing working capital allowed us to achieve financial stability and position ourselves for future growth.

Regulatory clearance

During the year under review, we made significant improvements at our Puducherry facility, resulting in its reclassification by the US FDA. Our commitment to rigorous training, discipline, and quality-focused work contributed to this achievement. While additional regulatory inspections and evaluations were conducted across various sites, no significant changes in regulatory status occurred. Our ongoing commitment to regulatory compliance underlines our dedication to product quality and safety.

Way forward

While the primary focus during FY 2022-23 was on consolidation and operational efficiency, we acknowledge the importance of adopting new processes and technologies for future growth. Our manufacturing network optimisation initiatives established a solid foundation to evaluate and implement cutting-edge technologies to further strengthen our operational capabilities and efficiency.

R&D and innovation

Innovation excellence through adaptive strategies

Our Research and Development (R&D) focus has always been on developing niche products with complex formulations that are difficult to develop and manufacture. This approach has guided our portfolio selection and product development efforts over the years.

FY 2022-23 snapshot

During the year under review, we made significant progress in our R&D efforts in multiple fronts, demonstrating a strong commitment to innovation excellence.

- Strategic focus on niche and technology-based products, with soft gels as a key focus area.
- Accomplished 7 approvals and 12 global filings, with the majority in the US and UK/Europe.
- Announced partnership with Orbicular Pharmaceutical Technologies Pvt. Ltd. for nasal spray development, harnessing their expertise to drive innovation.
- Progress in integration of the Endo facility, enabling efficient manufacturing of nasal sprays and controlled substances.
- Comprehensive portfolio maximisation efforts, optimising existing products and targeting market expansion opportunities in the US and other regulated markets.
- Implemented various measures including cost improvement programmes, process optimisations and agile operations, resulting in a lean and efficient R&D infrastructure.

Focus on niche and technology-based products

Our Company has placed significant emphasis on domain products, with softgels being a prominent area of focus. We have implemented various initiatives to select products from global markets for our soft gel domain. We have successfully added new molecules to our softgel portfolio. Building upon our efforts of past developments of FY 2021-22 and FY 2022-23 are yielding results and we are on track to secure critical approvals and commercialisation in FY 2023-24 leading to significant impact on revenue and profitability.

Furthermore, we have expanded our portfolio to include the highly technology-driven, capex-intensive specialty segment with the potential entry barrier for competition . Our recently acquired Endo facility enables us to manufacture nasal sprays and control substances. To develop nasal sprays, we have partnered with Orbicular, a technology-based company, to leverage their expertise in this area. These programmes are progressing well, with planned filings for four products in the nasal spray program and potentially add significant revenues in FY 2024-25 as part of the growth journey.

Leveraging our approved portfolio

In line with our long-term goals, we maintain a strong focus on the US market for growth. With nearly 260 ANDA approvals, our priority is to commercialise a substantial portion of our portfolio, encompassing 60-70 products. Additionally, we are revitalising around 35 products and actively pursuing their filing and approval. To ensure our products meet gross margin criteria, we leverage efficient methods such as cost improvement and operational excellence programmes.

In FY 2022-23, we achieved 23 global launches and relaunches, and this momentum will continue with ongoing filing activities. We have six filings planned for FY 2023-24 10+ ANDA filings planned in FY 2024-25, encompassing various dosage forms such as oral liquids, tablets, and capsules.

280+
CUMULATIVE ANDA FILINGS

260+
APPROVED ANDAs

23
GLOBAL LAUNCHES AND RELAUNCHES DURING FY 2022-23

Maximising opportunities in other markets

While the US market remains a key focus, we are also committed to maximising our product portfolio in other regulated markets and emerging markets. To fully unlock the potential of our existing product portfolio, we have initiated a comprehensive portfolio maximisation programme.

We have identified 15 products under this initiative, targeting regions such as the UK, Europe, and Southeast Asia. Each business group has extensively analysed our range of products, including the vast array of ANDAs, to identify opportunities for market expansion. These programmes aim to bridge the studies required for market entry in specific regions, and we are hopeful of filing these products in the upcoming year.

Lean and efficient R&D infrastructure and processes

To address external challenges such as inflation and improve our operational strategy, we undertook several measures including processes optimisation, operational excellence, efficient resource utilisation and cost improvement programmes.

We implemented high-impact groups within R&D and empowered them to manage projects effectively. This approach has improved our response quality and timeliness, leading to higher first-cycle approval rates. We have also introduced more efficient decision-making processes, minimised manual interventions and ensured agile responses to regulatory queries. These improvements have positively impacted on our filing and approval outcomes, resulting in a lean and efficient R&D infrastructure.

Way forward

We are committed to delivering on our filing and approval targets with focus on driving growth with 15-20 launches a year. Cost optimisation and maintaining a resilient supply chain will continue to be our key focus areas. These efforts will contribute to our long-term business strategy and position us for continued success.

Quality compliance

Commitment to continuous quality improvement

We ensure patient safety by upholding a strong commitment to quality excellence and continuous improvement of our processes. This keeps our business moving forward. We consistently work on increasing quality benchmarks in all our business operations by implementing extensive digitisation, sophisticated analytics, and innovative technologies.

Ensuring patient safety with improved quality review

End-to-end digitisation of the quality review process

Streamlining the Annual Product Quality Review (APQR) process through comprehensive digitisation, ensuring efficient monitoring and analysis of product quality. Implementation of a robust analytics framework enables near real-time availability of quality reports, promoting patient safety and ensuring uncompromising product compliance.

Real-time quality reports

Our robust analytic framework enables us to generate high-quality reports in real time. This empowers proactive decision-making and timely actions to address potential quality issues, further enhancing our commitment to patient safety.

Enhancing manufacturing performance with continued process verification

We made advancements in the continuous process verification system to maintain consistent manufacturing performance and adherence to quality standards. By monitoring critical parameters and analysing production data in real-time, we consistently ensure robust control over manufacturing processes and deliver high-quality products.

Leveraging robotics and automation for quality assurance

We integrate advanced tools such as Robotic Process Analytics (RPA) into our quality assurance and computer system validation activities to fast-track the adoption of solutions and reduce time-to-market for finished goods. Our automation-driven processes enhance operational efficiency, streamline quality control activities, and improve compliance at every production stage.

Expanding digital footprint across functions

Our commitment to digitisation extends across key areas of our operations, including quality control, quality assurance, manufacturing, and warehousing. We optimise process efficiency and streamline data management by implementing electronic lab books, logbooks, and digital tools. We prioritise enhancing Electronic Batch Manufacturing Record (EBMR) and Electronic Batch Packaging Record (EBPR) processes, enabling seamless data capture, analysis, and reporting. This continuous expansion of our digital deployment across all functions and plants drives operational excellence and empowers us to deliver high-quality products.

Quality culture programmes

We embarked on the second wave of strengthening our Quality Culture initiative during the year. With a firm commitment to continuous improvement, we are dedicated to enhancing quality and compliance throughout our operations. The second wave is a comprehensive programme spanning 24 months and encompasses multiple phases focused on addressing key areas for improvement. We are actively engaging our employees in these projects, recognising their invaluable contributions to our ongoing quest for excellence in quality and compliance.

Assessment by external agencies and external consultants

We have collaborated with specialised experts to enhance our systems and processes for our facilities. Their valuable input has helped in significant improvements and a complete revamp of our quality metrics. As a direct outcome, our Company showcased a compliant working environment during inspections, leading to the successful resolution of a warning letter at our Puducherry facility. We remain committed to maintaining the highest quality and compliance standards across all our operations.

Pharmacovigilance

Our pharmacovigilance activities are undertaken under a single centralised umbrella, ensuring uniform governance across all subsidiaries. The global integration of the pharmacovigilance function, which includes all the geographies in which our Company does business, has ensured a high standard of deployment of best practices in the domain and brought in significant efficiency.

Technology and digitisation

Embracing digital technology for agility and transformation

In a dynamic operating environment, digital technology plays a central role in driving value creation, fostering innovation, and promoting collaboration. Our proactive approach in adopting digital technology enables us to navigate the dynamic regulatory environment, and effectively respond to unforeseen disruptions.

Path2Digital

Our flagship digitisation programme 'Path2Digital' has continued to deliver increased efficiency and cost reduction across departments. Strategic investments in technology products and skills have resulted in increased digital maturity and digital fluency. The focal point of the program has moved past the goal of paperless business processes and is making rapid strides towards end-to-end digitisation using intelligent systems and advanced analytics.

Leveraging technology for manufacturing excellence

Our focus on leveraging industry-renowned Manufacturing Execution System (MES) and Electronic Batch Manufacturing Records (EBMR) have significantly enhanced compliance for high-volume products. These measures were focused on optimising the process and reducing batch cycle time to improve time-to-market for our products. Furthermore, our ongoing efforts to digitise logbooks have led to end-to-end process visibility and valuable insights for process re-engineering.

Fostering a data-driven culture

Our commitment to democratising business data drives our approach to making effective decisions. By providing meaningful metrics and KPIs to our teams, we empower them to easily access and consume actionable insights. Our insightful 'Always-On' tableau dashboards offer up-to-date information on sales, profitability, inventory coverage, sample status, and more. This data accessibility enhances decision making across Manufacturing, Business Development, Supply Chain, Finance, and Quality functions.

Enhanced cybersecurity processes and measures

Our Company prioritises robust cybersecurity processes to protect our IT infrastructure, business systems, and intellectual property. With advanced threat detection capabilities and continuous monitoring, we maintain a secure environment for products, and company assets. Regular audits and user training reinforce our commitment to 24x7 safety.

Adhering to data privacy and protection standards, we have implemented a comprehensive Data Loss Prevention (DLP) policy and strengthened our IT policies. These measures ensure that our data remains secure, in compliance with internal and regulatory standards.

We also conduct regular employee awareness programmes and trainings to foster a secure working environment. Through a robust governance framework, senior management actively assesses the effectiveness of our cybersecurity measures. This dedication enables us to uphold the highest security standards, ensuring the trust and safety of our stakeholders.

Technology in the supply chain

We have developed a supply chain-mapping tool in SAP to gain insights into the overall supply chain from API to finished product distribution. Real-time dashboards for supply chain monitoring have been implemented, with developments planned in the coming years.

Paperless lab and automation

We made significant progress in achieving a paperless lab environment, resulting in increased efficiency and improved the overall digitisation of testing procedures. While the focus has been primarily on electronic lab deployment, recent developments have extended to include microbiology and packaging material testing.

Strides

Stelis Biopharma

One Stelis. Many possibilities.

Stelis is a leading global biopharmaceutical Contract Development and Manufacturing Organization (CDMO) with extensive biologics, biobetters, biosimilars, and vaccine research capabilities. The integrated business model and dynamic CDMO platform have empowered Stelis to emerge as a trusted and reliable partner in the Asia-Pacific region.

With a focus on precision, efficiency, and agility, the Company rapidly adapts to shifting client requirements, ensuring the delivery of high-quality products that are effective and future ready.

The business model with revenue streams from small molecules, biosimilars and biologics across the drug substance and drug products

Manufacturing Service Agreements (MSA)

Through the Manufacturing Service Agreements (MSAs), Stelis collaborates closely with partners, offering technology transfer, process development, process sale, and the execution of performance qualification (PPQ) batches. This pillar ensures the development and production of high-quality biopharmaceutical products with precision, efficiency, and agility.

Commercial Sales Agreement (CSA)

Following the successful development and approval of products through the MSA, the CSA enable the Company to commercialise and supply these products to the market. This pillar drives long-term relationships with partners and secures value through the commercial sales of the products developed under the MSA, fostering continuous growth.

Year in review: A resilient journey

FY 2022-23 presented challenges and opportunities, showcasing the resilience and commitment to progress. Amidst the Russia-Ukraine geopolitical situation and the sanctions against Russia and the Russian Direct Investment Fund (RDIF), the Company encountered difficulties in selling inventories of the Covid-19 vaccine, leading to significant financial adjustments. Despite these challenges, it persevered, adapting to the changing landscape with determination and agility.

Overcoming adversity

Despite the adverse impact of unsold vaccine inventories, the Company stood firm, displaying itss ability to navigate through unforeseen obstacles. By initiating the arbitration process in response to the geopolitical situation, it was committed to protecting itsinterests and seeking a resolution.

Regulatory approvals and compliance

Stelis achieved a major milestone with the issuance of the Establishment Inspection Report (EIR) by the USFDA for its flagship facility, along with EU-GMP approval. Successful customer inspections further solidified its reputation as a reliable and compliant CDMO partner.

Forging new partnerships:
Amidst these challenges, the Company continued to focus on expanding its business. It attracted new partners for CDMO services during the year and solidified agreements with multiple global companies. These accomplishments demonstrate its growing influence as a leading global biopharmaceutical CDMO.

5
NEW PARTNERS CONTRACTED BUSINESS DURING FY 2022-23

15+
TOTAL BUSINESS PARTNERS, INCLUDING TOP 10 GLOBAL COMPANIES

$200+ Million
REVENUE VISIBILITY IN THE NEXT 3-4 YEARS BY TRANSLATING MSA INTO CSA

Growth prospects and focus areas

Moving forward, Stelis is optimistic about FY 2023-24 prospects and beyond. Anticipating positive EBITDA in FY 2023-24 and a positive PAT in FY 2024-25, it is confident in achieving sustainable growth while delivering high-quality products and services to its valued partners.

Focus areas

Building long-term contracts

The Company's focus on strategic expansion and enhancing R&D capabilities positions it for long-term contracts reaching definitive agreement stages and a robust partner portfolio. This will help it generate revenue from commercial supplies in the coming year and beyond.

Maintaining financial stability

Stelis took significant steps to reduce gross debt during the year, showcasing its commitment to financial discipline and long-term sustainability. This move strengthens it position for steady growth and solidifies business foundations.

Our sustainability approach

Charting the ESG roadmap for sustainable growth

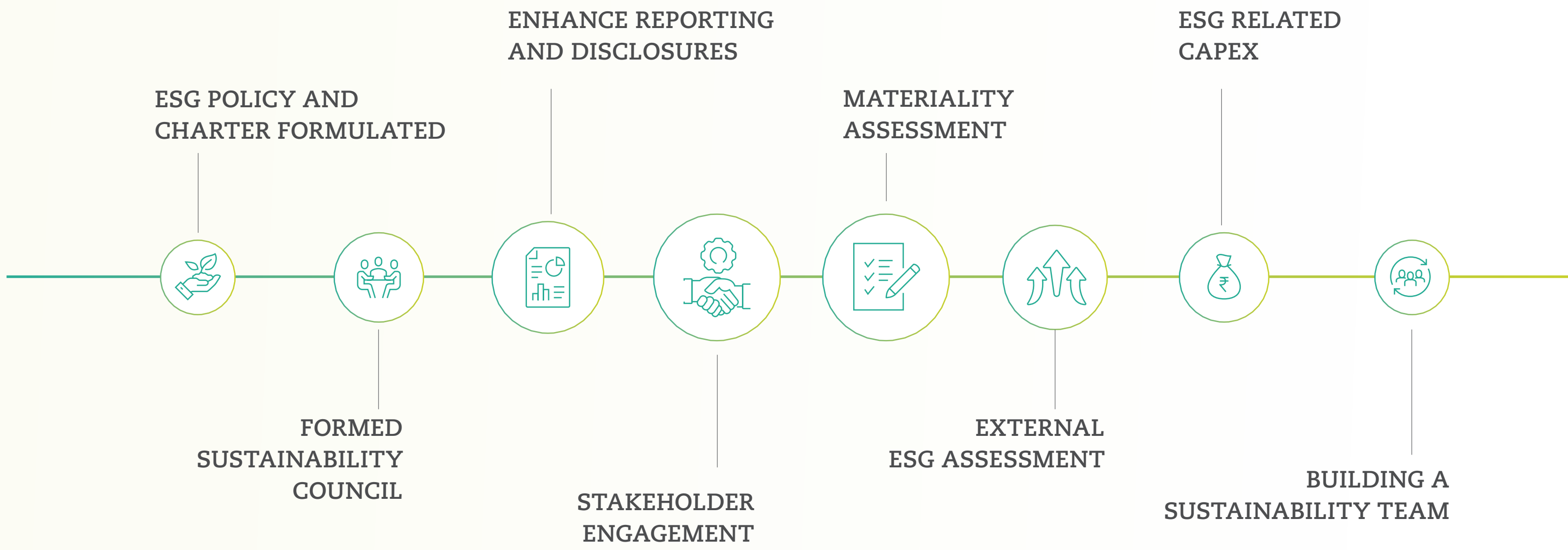
To keep up with our stakeholder expectations, we strive to develop an all-encompassing approach to strategic decision making, that shall entail a panoramic view across the ESG domains. We are embarking on a journey of ESG at an organisational level, to integrate business strategy, while addressing economic, social, and environmental impacts perceived across our value chain, and how they translate into associated risks and opportunities for the Company.

Addressing the challenge posed by climate change, provides Strides with an opportunity to re-affirm our commitment towards embracing sustainability initiatives into the core of our Company strategy and decision making. As part of our endeavour to sustain value for our stakeholders, we intend to forge ahead to the future, with a focus on adopting to sustainability across our value chain, acknowledging the road ahead, yet building on the progress made thus far. We remain convinced on our ability to scale up sustainability practices and positively contribute towards a brighter and sustainable future.

Arun Kumar
Executive Chairperson and Managing Director

ESG roadmap

Our roadmap, based on short term and long-term goals, with clear ownership across the organisation will serve to achieve demonstrable results for stakeholders, seek pathways to convert perceived risks into potential opportunities and guide the development of our sustainability strategy.



Key initiatives on our sustainability journey

We intend to reinforce our governance mechanisms and implement policies to drive accountability, and cross-functional collaboration to embed sustainability in business strategy and operations. Some of the policy solutions implemented within the ESG ambit include:

- Detailed policy on Vendor Code of Conduct covering areas of business ethics, human rights, labour and EHS practices
- Dedicated policy on Human Rights in line with international standards, that expands on our employee code of conduct, and our stead-fast commitment towards ethics and integrity
- Defined a sustainability policy and charter, coupled with a Sustainability Council that will guide decision making through the lens of sustainability

As part of our ongoing ESG journey, we have implemented various initiatives including enhancing renewable power consumption, and technologies to improve optimise resource utilisation, that are further elaborated in the Business Responsibility and Sustainability Reporting (BRSR) section.

ESG risks and opportunities

A robust materiality assessment shall facilitate informed decision making and a comprehensive reappraisal of operations (including capex decisions), activities, and outcomes in line with 'material' concerns of stakeholders. Our approach intends to help identify ESG risks and opportunities and implement plans for effective mitigation, demonstrate measurable outcomes and metrics on the successful integration of ESG with operations.

We are in the process of implementing a comprehensive ESG framework across the organisation. Our risk management framework helps identify and document critical risks, including ESG, through the enterprise risk register, that is periodically reviewed by the Risk Management Committee and Board of Directors.

Environment

Contributing towards a greener tomorrow

At Strides, we are integrating sustainability efforts into its core business strategy. Our focus areas encompass initiatives that go beyond compliance, aiming to minimise our ecological impact while delivering affordable and sustainable healthcare solutions to address unmet patient needs in core markets.

2 MW

SOLAR POWER PLANTS INSTALLATION UNDER PROGRESS ACROSS ALL THREE MANUFACTURING SITES IN INDIA

Energy management and emission control

As part of our commitment to sustainability, we are expanding our reliance on renewable energy sources. By investing in rooftop solar panels and other sustainable technologies, we aim to reduce our carbon footprint and contribute to the fight against climate change.

- In FY 2022-23, we achieved 2.23% of in-house clean energy generation, with a target to reach at least 5% of total power consumption from in-house renewable sources by FY 2023-24.
- We are committed to sustaining solar power consumption by importing solar energy from third-party providers, aiming for a minimum of 50% of total power consumption at our flagship manufacturing site in Bengaluru.
- Moreover, we prioritise eco-friendly refrigerants in all water chilling plants to reduce environmental impact form emissions.

Water management

Strides remains dedicated to responsible water usage and conservation. We have implemented wastewater recycling systems and rainwater harvesting ponds at our plant sites, enabling us to reuse treated water for various purposes. These efforts help us reduce our water consumption and contribute to sustainable water management practices.

Zero Liquid Discharge (ZLD)

We are committed to environmental sustainability, with 3 out of 5 sites already operating as Zero Liquid Discharge (ZLD) facilities. Through recycling initiatives, effluent water undergoes tertiary treatment, enabling effective reuse for in-house gardening, facilitating ZLD implementation. At Alathur plant, effluent water is treated at an in-house ETP, and R&D effluent is managed through authorised common effluent treatment plants as per SPCB guidelines. Our efforts in ZLD reflect our commitment to sustainable practices and environmental stewardship.

Waste management

At Strides, we have adopted a comprehensive waste management plan that focuses on waste minimisation, segregation, and safe disposal. Our commitment to sustainability extends to the safe disposal of large quantities of hazardous waste through efficient incineration processes.

We continue to uphold strict waste management practices, adhering to the highest compliance standards. Segregation of hazardous and non-hazardous waste at the source and regular audits of third-party waste treatment facilities ensure safe and responsible waste disposal.

Paper usage and digitisation

Embracing digitisation remains a key focus in our sustainability journey. Through our e-Logbooks initiative, we are transitioning toward paperless operations, minimising our paper consumption across sites and product portfolios. This commitment to digitisation not only enhances our operational efficiency but also reduces our environmental footprint.

Social – People

Leveraging people as a competitive advantage

FY 2022-23 was a bounce-back year for our business. This was made possible by the relentless efforts of our resilient workforce who demonstrated exceptional agility, business acumen and cost consciousness at every level to bridge critical gaps in the way we identified, planned, and delivered on every opportunity.

Focused people strategy

Our people strategy in FY 2022-23 was to focus on the 4Cs (Cost, Compliance, Culture and Capability) to ensure that every effort and investment done on the people front added up towards achieving the business objectives.

FY 2022-23 highlights

Focus area	People initiatives
Cost	• Invested significant time and effort to identify and align critical role holders and key talent with organisational goals to achieve the required agility with respect to quality and response time. • Identified efficiencies that can be derived through various people management practices including hiring, engaging, developing, and rewards. – Recalibrated staffing levels and spans of control. – Consistently optimizing cost for replacement positions using internal talent and adding bench to manage attrition. – For middle management, implemented a variable pay model that aligns with our values, strategic objectives and encourages collaboration, result orientation, and a shared commitment to organisational success. – Revised benefits offerings and implementation approach for leave and attendance and medical and life insurance. • Conducted an in-depth outlier analysis based on span of control review, skill and experience mapping and competency assessment to optimise headcount and to achieve a cost reduction.
Compliance	• Ensured smooth union connects to drive business continuity and integrated compliance framework with the Company's risk management framework that drove a compliance culture in manufacturing plants. • Trained employees for audit readiness to successfully obtain approvals by regulatory agencies/customers. • Aligned compliance programmes across functions with our go-forward ESG strategy and governance approach.
Culture	• Diversity, Equity and Inclusion has been formally adopted as a measure for our culture effectiveness. Detailed analytics was carried out to identify strategic action areas, change management and communication focus for leaders. • Conducted regular townhalls, open houses, new hire connects and Company values-themed months (Integrity-Collaboration-Efficiency) to ensure high morale of our workforce and build resilience during crisis. • Actively engaged the workforce through a unified digital platform (SEEK app) for employee engagement, social interaction, learning and development, peer recognition, idea sharing and grievance redressal mechanism. Daily management actions based on SEEK feedback reinforced transparency and trust amongst the workforce. • Reinforced transparency and meritocracy by revamping the performance management process including appraisal parameters, calibration approach and integrated our appraisal cycle with global practices by shifting the cycle from July to April.
Capability	• For technical functions, structured learning modules for Plant Manager Academy and Quality Professionals Academy were launched with an intent to build the long term organisational capability and develop internal talent pipeline • Functional and Behavioural Competencies were formally defined and communicated to employees. • Targeted development initiatives were undertaken for key talent and critical role holders. 360-degree feedback for middle management was conducted to build self-awareness and accelerate leadership development. • Launched the 'Know Your Company' video series to share valuable insights into various aspects of the organisation through interaction with 40 leaders from different levels and functions globally.

Social – People

FY 2023-24 Priorities

The actions we have undertaken in the year have helped us create a strong foundation for our FY 2023-24 priorities on which we aim to focus and accelerate our efforts based on the 3Es approach:

1 Enhancing employee experience

2 Empowering culture supported by continuous learning

3 Enabling business through people analytics

1

Key levers

- Transform HR processes and technologies that support us at critical employee touchpoints
- Enhance employee experience for preboarding, onboarding and first 90 days of joining
- Build robust goal-setting across levels and redesign performance management approach
- Drive meritocracy and transparency through tighter linkages between performance and rewards
- Redesign pay structure for junior levels to ensure clarity and stability for the larger workforce
- Embrace digital transformation by implementing employee self-service platforms that empowers employees to access information on demand, manage HR-related tasks, and seek support conveniently
- Targeted initiatives to ensure diversity, equity and inclusion as a standout feature of OneStrides Culture
- Upskilling initiatives for women employees to enhance diversity at mid and top management levels
- All people managers and hiring managers to be trained on Unconscious Bias
- Establish checks and balances to ensure equity of minority categories amongst the workforce

2

Key levers

- Define a focused learning and development strategy, along with clearly identified functional and behavioural skills and expected development journey for employees across the organisation
- Introduce mandatory weightage for employee development in goal sheet for all employees and drive learning compliance as an organisational agenda
- Drive digital fluency across the organisation using technology enabled collaboration, idea generation and knowledge sharing through SEEK, Know Your Company programme to support business decision making

3

Key levers

- Build system and people capability to drive HR analytics and dashboards to support people decision making in a dynamic operating environment
- Assess and develop 30 leaders as a part of the succession planning initiative for leadership positions
- Drive automation of people practices and streamline HR operations (hire to retire processes) to increase efficiency and enhance employee experience

Social – People

Global alignment of people practices and systems

As a global organisation, we want our employees to have a consistent employee experience. We are committed to integrate our people practices, policies and systems across geographies. This year, we achieved the following:

- Standardised our HRMS across India, US, UK and UCL and rolled out integrated appraisal cycle by shifting the cycle from July to April for all employees
- Harmonised people policies by balancing between global standardisation of guiding principles and local customisation of policy design and execution
- Integrated our acquired Chestnut Ridge facility with structure, leadership assimilation, employee engagement, communication and change management

Quality Professionals Academy

Diversity, equity and inclusion

Globally, we take pride in being an equal opportunity employer who believes in providing a nurturing and inclusive working environment to all employees. Our hiring and people management practices ensure that our workforce represents people with a diverse background with respect to gender, age, race, region, religion, experience and skill.

In FY 2023-24, we plan to adopt a structured and comprehensive approach towards building an inclusive workplace. This includes:

- Institutionalising a DE&I council and clearly defining key initiatives and outcomes
- Undertaking geography specific actions for driving DE&I agenda to build a diverse and inclusive organisation
- Building an inclusive culture to become a priority for leading change by senior management
- Bridging diversity gaps through planned hiring and upskilling initiatives

We have a 27% women ratio in the Senior Management Personnel category in India. Overall, 15% of our workforce in India are women, and the ratio goes up to 30% for R&D, business development and support functions.

Our workforce in India has a good representation across generations. Majority (almost 66%) are Gen Y, 26% are Gen Z (mostly at junior levels) and remaining 8% are Gen X.

Health, safety and employee wellness

We are committed to fostering a safe and healthy work environment for our employees. In line with this commitment, we educate and empower employees on preventing workplace harassment, promoting respectful interactions, and maintaining a culture of dignity.

- Our grievance policy provides an easy and clear mechanism to escalate employee concerns towards their work
- We have zero tolerance towards sexual harassment, and we have mandated 100% compliance for POSH training annually for all employees
- Our employee wellness initiatives include flexi-time for exercise, medical insurance, flexible work hours/work from home (for specific roles that can be performed remotely) and maternal and paternal leave
- We conduct regular safety training and mock drills to ensure that employees are adequately aware of contingency steps. Our health and safety approach includes:
  - Emergency preparedness
  - Safe working systems
  - Use of personal protective equipment

Way forward

We strongly believe that our FY 2022-23 efforts will be a solid foundation for the future and the results of these actions will help us to become a trendsetter in the pharma industry:

- One Strides approach towards people practices and polices will help us drive greater transparency, trust and collaboration across all geographies and business units
- Culture of continuous learning and meritocracy will help us establish mechanisms for attracting and retaining the best talent
- Adopting leading practices to build diversity, equity and inclusion will help us engage workforce in a meaningful way and become an employer of choice
- Targeted efforts in identifying and developing our key talent and leadership pipeline will help us drive SPEED (Simplicity, Proactiveness, Empathy, Empowerment, Dynamism) in our ways of working and decision making

Social – Communities

Building stronger communities for a better future

As a responsible corporate citizen, we embrace a holistic approach to Corporate Social Responsibility (CSR). Our CSR initiatives are focused on healthcare, education, employability, and vocational skill development leave a positive impact, empowering communities and driving positive change.

Contributing to UN SDGs through our CSR initiatives

CSR focus areas	Contribution to UN SDGs
Healthcare	Ensure Healthcare and well-being for all at all ages
Education	Quality education for all
Employability	End poverty in all its form and everywhere

Healthcare

Arogyadhama: Bridging healthcare gaps

Arogyadhama, our multi-speciality health centre in the Bengaluru rural area, has earned a commendable reputation for its exceptional work. Over the past 7 years, we have served over 11,940+ people from 12 villages, providing preventive, promotive, and curative healthcare. Equipped with state-of-the-art medical facilities, including X-ray, scan, laboratory, and minor OT, Arogyadhama also offers specialised services like Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, and Pharmacy. We are proud to offer pocket-friendly services, providing free consultations, medications, and diagnostic services to the community.

11,940+

PEOPLE BENEFITTED FROM 12 VILLAGES IN THE PAST 7 YEARS

Arogyadhama – Health Initiatives

Shiva Shakti Homes: Nurturing lives with care

Siva Sakthi Sathya Sai Charitable Trust, an organisation dedicated to serving intellectually challenged people and senior citizens, operates a home in Sri Raja Rajeswari Nagar, Bengaluru. Strides Foundation extends its support by sponsoring groceries and medicines for the 28 differently abled inmates, ensuring their well-being and comfort.

Education

LeAPS: Cultivating leadership and dreams

Our Leadership Adoption Programme for Schools (LeAPS) is designed to motivate government school students to achieve their goals. By empowering them with holistic developmental skills and essential knowledge, we foster the best in each student. This year, our focus group, Haragadde Government Higher Primary and High school, witnessed 580 students benefit from LeAPS. We provided academic support, examination skills, and career guidance sessions, which led our students to winning first prizes in 17 out of 28 competitions at the inter-school, inter-cluster, and district levels.

Inter-school competitions

Social – Communities

Infrastructure Development: Renovating learning spaces

We renovated the premises of the Government Higher Primary School, Muthanallur, to provide a clean assembly and dining area, a good stage, and a renovated wash area. This initiative received appreciation from the Teachers, School Development Management Committee (SDMC) team, parents, students, and the panchayat members.

Enhancing early childhood care

To help the children of Medahalli Village at Suragajakkanahalli Panchayat, Bengaluru, a state-of-the-art anganwadi was constructed at the request of the panchayat members. The anganwadi benefits over 30 children, pregnant women, and new mothers, offering a nurturing environment for growth and learning. It consists of a large hall, a storage room, kitchen, restrooms, and a play area.

Development at Muthanallur Government School

Vocational training

In collaboration with Tata Institute of Social Sciences (TISS), we initiated the Bachelor of Vocational Training in Pharma Manufacturing (BVoC) in Puducherry. Our aim is to provide higher education and uplift the lives of disadvantaged and marginalised youth in the area. The programme integrates classroom training and on-the-job experience on the shop floor, producing skilled pharma professionals who can make meaningful contributions to society.

The programme enables students to learn essential skills through on-the-job trainings at the real shop floor of the industry, while gaining a BVoC degree through classroom training. The third batch of the BVoC–TISS training commenced in 2021, with 39 students currently pursuing their second year of learning.

Vidyadhama Project: Empowering future generations

The Vidyadhama-Strides Model Government Higher Primary School Project is our initiative to create a safe and conducive environment for children to learn. Spanning 2 acres and 16 guntas of land in Suragajakkanahalli, Bengaluru rural, this project aims to provide an exemplary model school. The construction is progressing well, and we look forward to handing over the project to the School Authorities by April 2024.

Arogyadhama – Health Initiatives

Employability

Empowering lives through vocational skill development

The Employment Empowerment Program is organised every year in association with Swami Vivekananda Rural Community College (SVRCC) for the benefit of the underprivileged sections of the fishermen community in Puducherry.

SVRCC is an educational institution which offers job-oriented training in various technical areas. It is registered under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) of the Government of India. The college imparts training that includes personal values, ethics, soft skills, self-discipline etc. to all students, thus providing for a complete holistic education. SVRCC has also successfully linked and established an organic relationship between the education it provides and the employment of its students by bringing on board local industries, business entities and large multinational corporations thus assuring employment of its students.

This partnership has enabled the selection of 100 students, every year, who will be trained, in several job-related courses, with a holistic approach, to make them responsible citizens. The programme, now in its 7th year, has provided employment opportunities to 541 students till date.

The current batch, which started in August 2022, has 100 students undergoing training.

540+

STUDENTS GOT EMPLOYMENT OPPORTUNITIES THROUGH OUR PROGRAMMES TILL DATE

Skill development training centre support at Muthanallur village

Governance

Cultivating integrity, perseverance and sustainability

Our commitment to ethical practices and responsible governance serves as the foundation for our success. With a focus on transparency, accountability, and long-term sustainability, we continuously strive to uphold the highest standards of ethical conduct.

Corporate values

We put great importance on upholding our corporate values, which are deeply ingrained into our culture. These values serve as guiding principles, influencing our actions and decision-making across all levels of our organisation.

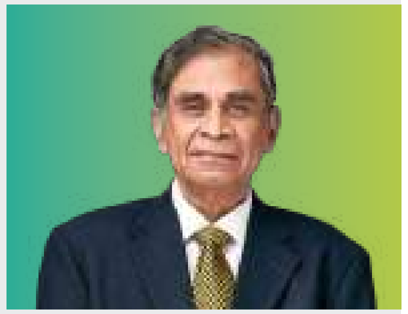
Board of Directors

Our Board of Directors consists of experienced professionals from various industries and backgrounds. With their diverse expertise, they have steered Strides to a powerful position in the global pharmaceutical industry. Their collective knowledge has played a crucial role in driving our success and establishing a strong presence in the industry. Our Board provides invaluable guidance to achieve business growth, ensuring effective governance through robust policies such as code of conduct, diversity, disclosure, remuneration, and transaction policies. We regularly review and update these policies to align with global standards.


Arun Kumar
Executive Chairperson and Managing Director


Badree Komandur
Executive Director - Finance and Group CFO


Dr. Kausalya Santhanam
Independent Director


S. Sridhar
Independent Director


Bharat. D. Shah
Independent Director


Homi Rustam Khusrokhan
Independent Director

Leadership Team

Arun Kumar
Executive Chairperson and Managing Director

Badree Komandur
Executive Director - Finance and Group CFO

Christoph Funke
Chief Operations Officer

Umesh Kale
Chief Quality Officer

Corporate information

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Management Discussion and Analysis

Global economy

In 2022, the global economy witnessed a slowdown, marked by a significant surge in inflation. This slowdown stemmed from a combination of factors, including geopolitical uncertainties, supply chain disruptions, and the enduring effects of the COVID-19 pandemic. The cumulative impact of these challenges had far-reaching consequences, creating a complex economic landscape characterised by mounting concerns over dwindling demand, recessionary anxieties, a heightened cost of living, economic stress with weaker currencies, vulnerabilities within the banking sector, and uncertainties surrounding Western sanctions on Russian crude oil exports.

According to the International Monetary Fund (IMF) global economic outlook report, the global GDP growth declined from 6.0% in 2021 to an estimated 3.2% in 2022. Advanced Economies (AE) witnessed a growth of 2.7% in 2022, while Emerging Market and Developing Economies (EMDE) registered a growth rate of 4.0%.

The global economic outlook is cautiously optimistic as positive signs of recovery emerge and challenges faced in 2022 gradually diminish. The IMF foresees a gradual rebound, with a slowdown in global GDP growth from 3.4% in 2022 to 2.8% in 2023, followed by a moderate increase to 3.0% in 2024. Advanced economies may experience a decline in growth in 2023 but are expected to rebound slightly in 2024. Global headline inflation is expected to decrease from 8.7% in 2022 to 7.0% in 2023 due to the gradual improvement in energy and food prices.

EMDEs are forecasted to exhibit stronger growth on average. However, challenges related to inflation, currency depreciation, and insufficient investment may impede living standards in emerging economies. China's recovering economy, absorbing significant exports from Asia and other regions, is anticipated to contribute positively to global market dynamics.

While challenges remain, the global economy is expected to recover gradually. The resolution of disruptions, successful monetary policies to address inflation, and the growth potential of emerging economies contribute to the cautiously optimistic outlook. Proactive measures and vigilance will be vital to navigating potential risks and uncertainties going forward.

Source: IMF World Economic Outlook, April 2023, World Bank, OECD

India

Indian economy demonstrated remarkable resilience amidst global headwinds, with an estimated GDP growth of 6.9% in FY 2022-23. The growth was driven by a combination of factors, including strong consumption, increased investment activity supported by government policies, and a push to enhance transport infrastructure, logistics, and the overall business ecosystem. These measures stimulated demand and private consumption, contributing to the country's economic growth. Despite global economic challenges, India achieved a significant milestone by becoming the world's fifth-largest economy with a nominal GDP of US$ 3.5 Trillion.

Inflation remained elevated during the year due to the uncertain global environment. Although the Indian economy faced the challenge of reining in inflation, it made significant progress in managing this issue. The RBI's tightening policy measures and easing global commodity prices have relieved retail inflation.

Looking ahead, India's economic outlook remains promising. According to the Economic Survey, the country is projected to achieve a real GDP growth rate of 6.5% in FY 2023-24. This estimation aligns with the recognition by IMF Chief Kristalina Georgieva, who has highlighted India's potential to contribute approximately 15% of the global growth in 2023. This acknowledgment underscores India's position as a bright spot in the world economy, poised to significantly and positively impact the global economic landscape.

India's sustained growth is supported by various factors, including its demographic advantage, digital transformation, supportive policies, and strong macroeconomic fundamentals. Efforts to boost the agricultural sector and prioritise infrastructure development will enhance industrial competitiveness and drive future growth. The financial sector has demonstrated strength, with improvements in asset quality and robust credit growth in the private sector. Furthermore, the services sector is expected to experience strong growth, supported by the recovery of tourism and contact-based services as the impact of the COVID-19 pandemic subsides.

Notable progress has been made in the pharmaceutical and healthcare sector. Initiatives such as Ayushman Bharat and the National Health Stack have improved healthcare access for Millions. Additionally, the Atmanirbhar Bharat Production-Linked Incentive (PLI) Scheme has played a crucial role in promoting self-reliance, particularly in healthcare, by encouraging local production of medical devices and reducing reliance on imports.

Addressing inflationary pressures is essential for sustaining economic stability. Recent improvements in food and energy prices, coupled with interest rate hikes by the RBI are expected to contribute to a decline in inflation from 5.66% in FY 2022-23 to 5.2% in FY 2023-24. The proactive measures by the RBI demonstrate its commitment to maintaining price stability and supporting sustainable economic growth. Overall, India's economic outlook for FY 2023-24 is promising, with a favourable environment for growth driven by multiple sectors and proactive measures taken to address inflationary concerns.

Source: NSO, Asian Development Outlook, World Bank, IMF, Economic Survey, RBI MPC

Industry developments

Global pharmaceutical industry

The pharmaceutical industry is currently navigating a landscape of opportunities and increasing complexity. It is amid the transformative changes driven by emerging markets, advancements in specialty medicines and biotech, and the need to address challenges such as biosimilars and patent expiries.

In 2022, global spending on medicines experienced a slight increase, rising from US$1.42 Trillion to US$1.48 Trillion. This reflects the industry's ability to adapt and overcome challenges, particularly in an operating environment shaped by inflationary pressures, geopolitical uncertainty, and the after-effects of the pandemic.

The industry is expected to continue its growth trajectory with a CAGR of 3-6% between 2023 and 2027, reaching a market size of approximately US$1.9 Trillion. Factors driving this growth include improved healthcare access, the increasing demand for chronic and sub-chronic therapies (especially driven by ongoing efforts in COVID-19 vaccination), and the introduction of innovative medicines. However, it is important to note that this expansion will be moderated by factors such as the loss of exclusivity and the lower costs associated with generics and biosimilars.

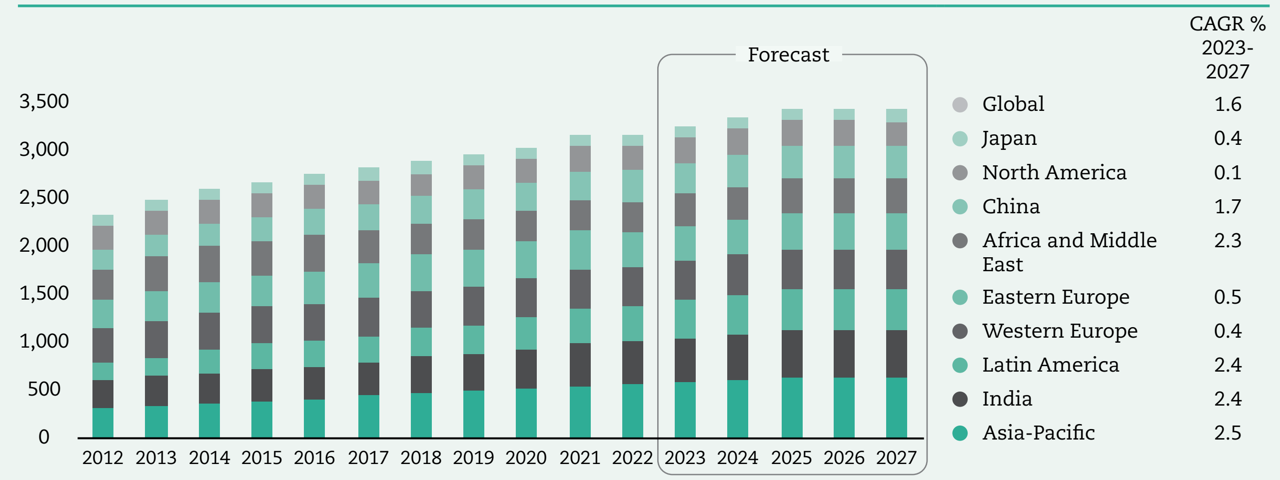
Regional trends indicate diverging growth rates. Developed markets are expected to grow slower than emerging markets, known as Pharmerging markets. In the US, pharmaceutical spending is projected to increase at a CAGR of 2.5%-5.5% through 2027, driven by investments in existing medicines and the introduction of new treatments. However, the recently implemented Inflation Reduction Act may impact the net price basis growth rate in the US market.

In the Asia-Pacific region, steady growth is anticipated post-pandemic, while China may face pricing pressures that could hinder its growth. On the other hand, India is poised to witness significant growth in pharmaceutical spending, with an annual CAGR of 7.5-10.5%, reaching a range of US$35-39 Billion by 2027. Additionally, Latin America and Eastern Europe are emerging as fast-growing regions in terms of global medicine spending.

The rise of specialty medicines and biotech characterises the pharmaceutical landscape. Specialty medicines are expected to account for a considerable portion of global spending in 2027, marking a shift away from traditional medicines. Biotech, in particular, plays a key role, constituting a substantial portion of global spending. The utilisation of biosimilars is projected to generate significant savings, exceeding US$290 Billion by 2027, promoting their wider adoption and helping to alleviate budgetary pressures.

Within therapy areas, oncology is expected to experience remarkable growth with a CAGR of 13-16% through 2027, driven by the introduction of innovative treatments. This surge in oncology spending is anticipated to reach over US$370 Billion by 2027, representing a significant increase. However, the field of immunology may witness slower growth due to increased competition from biosimilars, resulting in projected global spending of US$177 Billion by 2027.

Global pharmaceutical industry growth (Defined Daily Doses in Bn)



Source: IQVIA Market Prognosis, September 2022: IQVIA Institute, December 2022.

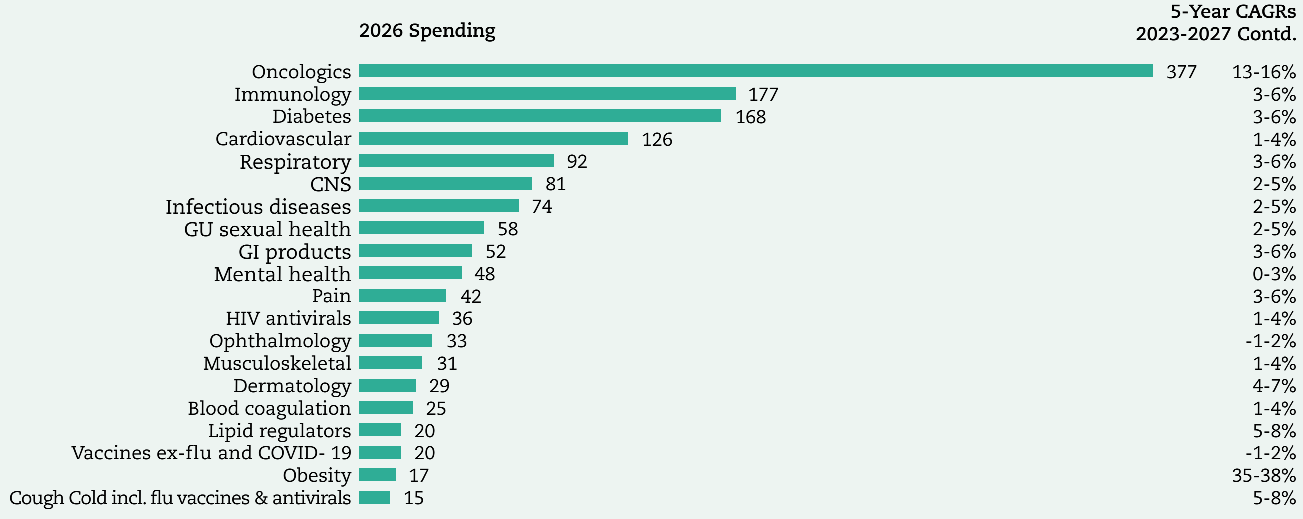
Global pharmaceutical market growth (US$ in Bn)

Regions	2022	2018-2022 CAGR (%)	2027	2023-2027 CAGR (%)
Developed Markets	1,088	5.7	1,370-1,400	2.5-5.5
Pharmerging Markets	371	7.2	487-518	5-8
Other Markets	23	6.0	29-33	4.5-7.5
Global Pharmaceutical Market	1,482	6.1	1,900-1,930	3-6

Global pharmaceutical market forecast for 2027 by product type (in US$)

Regions	Original brands	Non-original brands	Unbranded generics	Other	Total
Developed	1,000–1,030	150-165	105-115	98-108	1,370-1,400
Pharmerging	133-153	157-177	62-64	114-134	487-518
Lower-income countries	9-11	12-16	2-3	2.5-5.5	29-33
Global	1,155–1,185	325-355	160-190	215-245	1,900-1,930

Top 20 therapy areas in 2025 in global spending (5-year CAGR forecast) (US$ in Bn)



Source: IQVIA Forecast Link, IQVIA Institute, Nov 2022.
Report: The Global Use of Medicines 2023; Outlook to 2027. IQVIA Institute for Human Data Science, January 2023.

The US

The US pharmaceutical market demonstrated a strong performance with a CAGR of 4.9% from 2018 to 2022. The industry is expected to grow with a slightly slower CAGR of 2.5% to 5.5% in the next five years. Net spending growth is expected to be -1% to 2% due to rising discounts and rebates, influenced by the provisions of the Inflation Reduction Act (IRA), along with ongoing market dynamics, the adoption of newer treatments, and the presence of generic and biosimilar competition, contributing to historically slow market growth in the US pharmaceutical industry over the next five years.

European Union (EU5)

Over the next five years, the top five Western European pharmaceutical markets, including the UK, are poised for growth while it will face multiple challenges. Medicine spending is expected to increase by US$59 Billion, surpassing the previous period's growth of US$53 Billion. Generics and biosimilars will contribute to market growth, while payer actions will be influenced by economic recovery and inflation concerns. In terms of therapeutic areas, oncology and neurology are expected to experience significant growth, accompanied by the emergence of next-generation biotherapeutics. These dynamics present opportunities and complexities for stakeholders in the Western European pharmaceutical markets.

Japan

The Japanese market is expected to exhibit sluggish or limited spending on medicines, with a CAGR ranging from -2% to 1% over the next five years. The ongoing COVID-19 recovery and long-term trends affecting established brands influence the projection. In addition, pricing revisions are anticipated to occur annually during the forecast period. However, the impact of these revisions may vary from year to year, with a lower impact during off-years than the established biennial price cut years.

Australia

The Australian market had a minimal pandemic impact and effective containment measures. It is projected to grow at 2-5% from 2023 to 2027 before accounting for discounts and rebates.

China

The Chinese market is expected to stabilise with a 2-5% CAGR over the next five years through 2027. IN the past five years, the market witnessed substantial growth driven by original branded products, which accounted for 28% of spending in 2022 compared to 22% five years earlier. Government policies to update the National Reimbursement Drug List (NRDL) annually have contributed to a higher share of new original medicines reimbursed, resulting in increased spending, although at lower negotiated net prices. Over the next five years, original brands are expected to grow by more than 5% annually, while non-original brands, including versions of medicines from multinational companies, are projected to have minimal growth, partly due to the government's focus on controlling hospital spending.

Africa

The pharmaceutical industry in Africa is projected to achieve a Compound Annual Growth Rate (CAGR) of 5.13% from 2022 to 2027. This growth can be attributed to several factors, including Africa's increasing expenditure on healthcare, a maturing business environment, and a trend towards generalisation. During the forecast period, population-driven volume growth and a shift in the market towards more expensive products will shape the pharmaceutical industry in Africa.

Company overview

Strides Pharma Science Limited (Strides), a global pharmaceutical company headquartered in Bengaluru, India, specialises in developing and manufacturing niche finished dosage formulations. With a major emphasis on intellectual property-led products, the company has established itself as one of the world's largest manufacturers of soft gelatin capsules. Operating in over 100 countries, Strides has a robust global manufacturing footprint spanning eight facilities across four continents, including five US FDA-approved sites.

The Company's product portfolio encompasses a range of technically complex pharmaceutical products, including liquids, creams, ointments, soft gels, sachets, tablets, and modified-release dosage formats. Its expertise lies in the production of 'difficult to manufacture' products. In addition, Strides boasts a dedicated research and development facility in India with global filing capabilities, enabling continuous innovation and growth.

With a strong commitment to quality, the Company has gained a significant competitive advantage in an evolving regulatory landscape. By implementing advanced quality standards supported by an IT-driven platform, the company ensures consistent and stringent adherence to the highest quality measures across all manufacturing locations.

Regulated markets

Strides Pharma strongly emphasises the regulated markets business vertical, encompassing the United States, Europe, Australia, South Africa, and Canada.

In FY 2022-23, our revenue from this business segment witnessed a 36% year-on-year growth, reaching ₹30,950 Million compared to ₹22,830 Million in FY 2021-22. This segment remains a crucial focus area for us, contributing to over 83.5 of our consolidated revenues.

US market

US business in FY 2022-23

₹18,447
Million Revenue

280+
Cumulative ANDAs filed

260+
Cumulative ANDAs approved

The US continues to hold its position as the largest and most appealing pharmaceutical market worldwide. Strides Pharma Inc. operates as the face of our business in the US, delivering high-quality healthcare products through prescription medications. We will capitalise on our robust research and development capabilities, targeting 15-20 filings annually. Additionally, we will leverage our established front-end presence to drive the expansion of the business.

In FY 2022-23, our US business demonstrated solid performance, with revenue growth of 58% to ₹18,447 Million from ₹11,650 Million in FY 2021-22. Our strategic focus on niche products, the successful integration of the Endo portfolio, and the strong performance of our leading products drove the growth.

Through our targeted approach, we have captured market demand and maintained steady market shares without significant pricing pressures. The acquisition of the Endo portfolio and its manufacturing at our New York facility has further bolstered our sales and expanded our market presence.

Among our comprehensive portfolio of approximately 60 commercial products, Strides has secured a leadership position in 19 products and achieved second or third positions in 15. These top-performing products have driven our revenue, contributing over 75% of our total US revenue.

We remain committed to our innovation strategy, expanding our product offerings and strengthening our market position. We will continue prioritising customer needs and delivering high-quality products to sustain our growth in the US market.

FY 2022-23 highlights

- Achieved highest-ever annual revenue milestone of US$232 Million (₹18,447 Million)
- Emerged as a leader in 19 products and secured second or third positions in 15, driving over 75% of the US revenue

Strategy for the future

As we move forward, our future strategy for the US business is centred on capitalising on our achievements and reaching pre-COVID levels of revenue and profitability. We will focus on fast-tracked launches from our extensive portfolio of approved ANDAs, encompassing over 280 ANDAs with 260+ approvals, to introduce a diverse range of acute and chronic products, including controlled substances, hormones, and nasal sprays. This approach will drive our growth and expand our market presence.

Our strategy involves a calibrated portfolio expansion with yearly 15-20 new launches. Prioritising customer advocacy and superior supply execution, we will ensure we remain a reliable channel for our partners. With a strong foundation, unwavering commitment to customer satisfaction, and diligent monitoring of growth metrics, we are confident that our future-focused strategy will further solidify our position in the US pharmaceutical market.

Other regulated markets

Our presence extends beyond the US to encompass other regulated markets worldwide. We have established a strong presence in Canada, the UK, Europe, South Africa, and Australia, leveraging our extensive portfolio in these highly regulated markets.

FY 2021-23 was marked by notable progress and growth in our other regulated markets (ORM). We achieved a significant increase in revenue, with revenue growth of ~12% to ₹12,503 Million in FY 2022-23 from ₹11,180 Million in FY 2021-22. Our strong market presence and strategic initiatives played a pivotal role in driving this success. One of the year's key highlights was the remarkable recovery of the UK and other front-end markets, as they surpassed expectations and returned to previous levels of growth and profitability. This resurgence solidified our position in these markets and fuelled our overall growth. Furthermore, our strategic focus on expanding into new regions yielded positive outcomes, with improved volume traction and the addition of new customers. This expansion allowed us to strengthen our market presence and tap into new growth opportunities. In addition, our newly launched B2B platform, synergICE, proved to be a significant milestone, exceeding expectations and delivering promising results. It catalysed business growth, fostering strong partnerships and driving customer satisfaction. As we move forward, we remain committed to capitalising on these achievements, leveraging emerging market trends, and maintaining our customer-centric approach to drive sustained growth and success in other regulated markets.

UK

Strides Pharma UK Limited, our subsidiary, maintains a strong presence in the UK market. We leverage multiple distribution channels for prescription (Rx) and over-the-counter (OTC) products to maximise growth opportunities. These channels include direct wholesalers, NHS supplies, and Clinical Commissioning Groups (CCG). We have established ourselves as a trusted supplier of high-quality generic medications to Tier-1 and Tier-2 wholesalers in the retail sector. Additionally, we supply to the National Health Service (NHS) through tenders conducted by the Commercial Medicines Unit (CMU).

Europe

The Company has experienced steady growth in the European pharmaceutical market. We have achieved healthy traction through our partnership businesses.

Australia

We have established a strong and valued partnership with Arrotex, the leading pharmaceutical company in the country, holding a significant market share. As their preferred long-term strategic supplier, our collaboration spans a diverse range of products. We have a dedicated manufacturing plant in India to cater to this market.

FY 2022-23 highlights

- The order book visibility continues to be healthy for mature businesses
- Successful launch and performance of the B2B platform, synergICE

Strategy for future

Moving forward, our Other Regulated Markets (ORM) business remains vital to our growth strategy. To drive growth, firstly, we focus on scaling up our partnership business and strengthening our front-end presence through new channel additions and portfolio expansion. This will allow us to cultivate strategic alliances and better serve our customers in Europe, Australia, and other expansion regions.

Secondly, we aim to expand our product offerings to new geographies by enhancing our portfolio. This strategic move will enable us to tap into untapped markets and capitalise on emerging opportunities. Finally, we will continue to allocate focused investments in research and development (R&D) to enhance our product portfolio and drive additional growth.

Emerging markets

This segment includes our operations in Africa and institutional business, representing over 16% of our consolidated revenues.

[16.5%]

Of consolidated revenues represented by emerging markets

Emerging markets in FY 2022-23

₹6,092

Million Revenue

[180+]

MR headcount

In FY 2022-23, our Emerging Markets Business demonstrated resilience in a dynamic market scenario. We recorded revenue of ₹6,092 Million (US$77 Million) for the year, reflecting steady progress and strategic execution in emerging markets. While there was a decrease compared to the previous year, we remained focused on capturing market opportunities and delivering value to our customers.

Our strategic focus on expanding our presence and market share in emerging markets paid off. We successfully executed our plans, which included new product launches and strategic partnerships.

Brands Africa, one of our key markets, delivered a successful performance in line with our plans. This achievement can be attributed to effective strategies, new product launches, and enhanced operational efficiencies. We remain committed to further strengthening our presence in this market.

Growth in Access Markets: As the new tender off-take for antiretrovirals commenced, we witnessed a return to growth in the access markets. While these markets can exhibit fluctuations due to donor-funded purchases, we are focused on sustaining growth through effective market strategies and customer-centric approaches.

FY 2022-23 highlights

- Successful execution in brands Africa
- Return to growth in access markets

Strategy for future

Our future strategy for African businesses revolves around three key pillars. Firstly, we aim to expand our market share by strengthening our presence in key African countries. We will position ourselves for growth and maximise our market potential through targeted market penetration strategies, enhanced distribution networks, and strategic partnerships.

Secondly, we will optimise the performance of our field force to drive operational efficiency and effectiveness. Investing in comprehensive training programmes, implementing performance evaluation mechanisms, and refining sales processes will empower our team to engage customers effectively, seize sales opportunities, and achieve greater operational leverage.

Finally, we recognise the importance of cost competitiveness, particularly in the access market segment. Through vigilant cost management, streamlined processes, and leveraging economies of scale, we will enhance our cost structure and improve our competitive positioning. This strategic focus will enable us to increase our wallet share, attract a broader customer base, and drive sustainable revenue growth.

Financial progress

Consolidated financial performance

(₹ in Mn)

Particulars	FY 2022-23	FY 2021-22
Revenue	37,042	30,946
EBITDA	4,460	43
Adjusted PAT/Loss	714	(3,550)

Key ratios

Particulars	FY 2022-23	FY 2021-22
Debtors' turnover	2.94	2.65
Inventory turnover	1.40	1.27
Interest coverage	2.39	0.06
Current ratio	1.21	1.14
Debt equity	1.25	1.18
EBITDA margin (%)	12%	0.10%
Net profit margin (%)	-6%	-15%

Focus on R&D

Our expertise in Research and Development (R&D) is evident through our success in creating a distinctive and specialised portfolio of products. Our integrated centre in Bengaluru is at the heart of our R&D capabilities, equipped to develop and file products for regulated and emerging markets. With a dedicated team of ~150 professionals, our Bengaluru R&D centre is focused on building a global portfolio by leveraging the latest technologies available in the pharmaceutical industry.

At Strides, our R&D philosophy revolves around continuous learning and innovation. We are actively involved in developing various dosage forms, particularly on novel drug delivery systems for solid orals such as modified-release tablets, capsules, and soft gelatin capsules. These advancements cater to the needs of both regulated and emerging markets.

To ensure sustainable growth, we have strategically aligned our product selection with niche offerings characterised by complex formulations across diverse therapeutic segments. This approach allows us to deliver innovative solutions that address specific market demands and contribute to the overall advancement of healthcare.

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Ensuring the highest standards of quality

Strides has consistently placed a strong emphasis on adhering to compliance standards. Our commitment to quality excellence is evident through our well-defined initiatives focusing on people, processes, products, and technologies. Through targeted training programmes, we equip our employees with advanced quality management skills, enabling them to effectively identify, report, and address any quality concerns within the organisation. Our quality excellence programme ensures that we maintain high benchmarks in compliance and continuously strive for improvement.

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Strengthening the IT infrastructure

A significant percentage of our volumes are manufactured using the programme for Manufacturing Execution System (MES), a typically multi-year initiative. MES system empowers our whole manufacturing operations to be GMP-compliant along with automatic capturing of data from different machines and instruments. We can generate electronic 'Batch Manufacturing Records' enabling us to quickly release the batches with 'Review by Exception' using MES. Electronic logbooks have enabled us to avoid documentation mistakes and ensure concurrent entries of all activities.

Constant endeavours to improve our R&D and the strong formulation our R&D capabilities, along with the knowledge of the regulatory environment in regulated markets have resulted in successful product registrations in several markets.

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Our people. Our strength.

At Strides, we take pride in maintaining a global workforce of approximately 4,600 individuals who collaborate in a diverse and harmonious work environment fostered by an open and transparent culture. Our recruitment, reward, and recognition policies are merit-based, enabling us to attract and retain top-tier talent. We place great emphasis on fostering growth through continuous learning, motivating our employees to align their personal goals with the organisation's objectives.

To ensure effective communication and engagement, our top management actively connects with our global workforce through regular communication sessions conducted throughout the year. These sessions exemplify our commitment to transparency within our organisational culture.

In addition, we promote two-way communication across the organisation through our employee feedback and governance app, encouraging valuable input from all members of our workforce.

At Strides, we adhere unwaveringly to the highest standards of ethical, moral, and legal conduct in our business operations. We have implemented a Whistle Blower Policy, providing a platform for directors, employees, and stakeholders to raise concerns about any potential violations of legal or regulatory requirements, misrepresentation of financial statements, or other pertinent matters.

Furthermore, we prioritise the safety and well-being of our employees by conducting adequate trainings, workshops, and awareness programmes to prevent sexual harassment in the workplace. We have implemented a gender-neutral Prevention of Sexual Harassment (POSH) policy, promoting a safe and inclusive environment for all members of our organisation.

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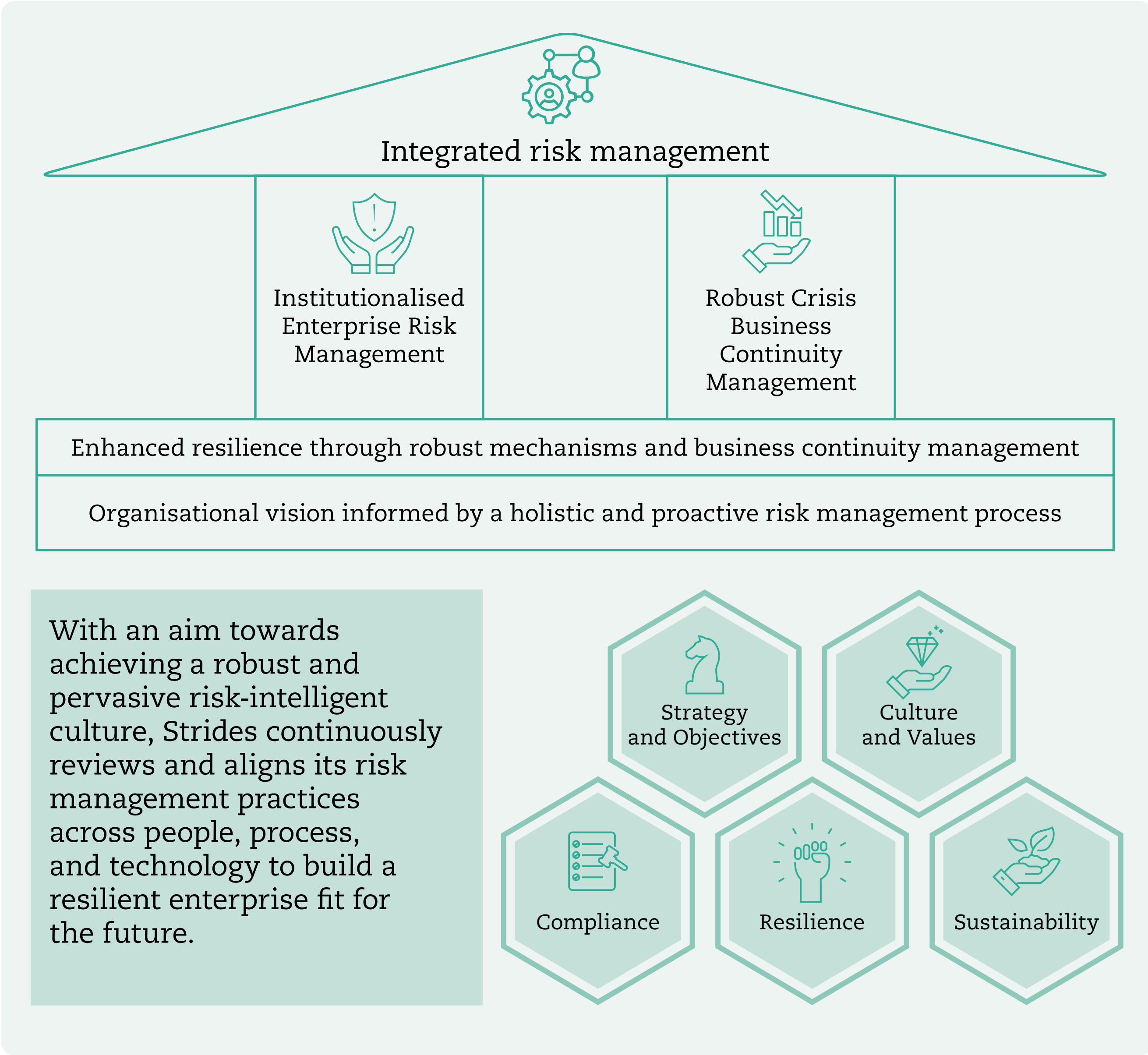
Focusing on risk intelligence and resilience for sustainable growth

At Strides, we acknowledge that having a robust risk intelligent culture is core to the Company's stated objectives and builds resilience for the future. Our risk management process strives to mitigate familiar business risks that impact our strategic objectives and financial performance, while being conscious of increasing Environment, Social and Governance (ESG) risks and stakeholder expectations.

> "Dealing with risks and managing uncertainties is a key mantra and an essential skill for any organisation today. As a company with a global footprint, the efficacy of our risk management and mitigation systems is critical for operational resilience. Strides is committed to optimising its risk management and business continuity management systems, to achieve risk-intelligence for operational excellence, resilience, and long-term success."
>
> **Sormistha Ghosh**
> Group General Counsel & Chief Risk Officer

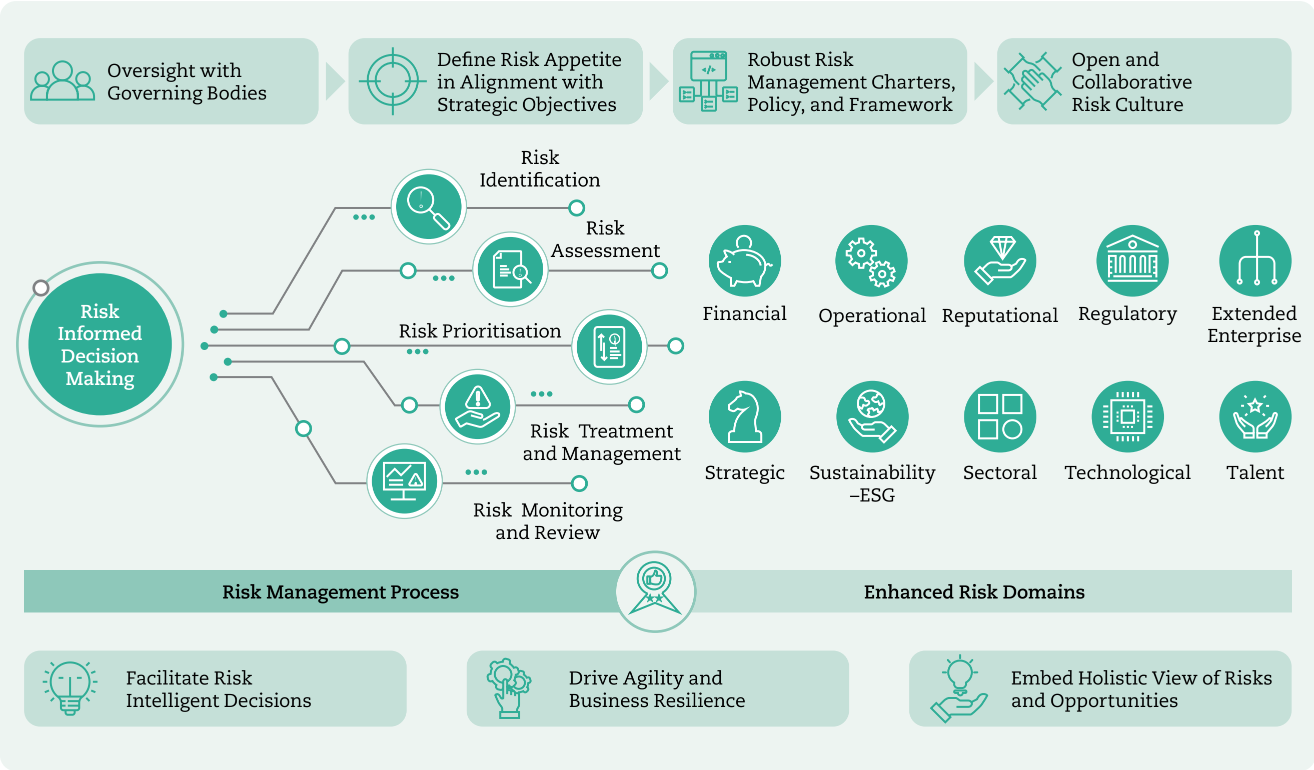
Our robust risk management framework and processes aligns the risk management activities to the changing business and risk landscape. Our approach to risk management is holistic and provides an integrated view of risks spanning domains, including Financial, Operational, Regulatory, Reputational, Extended Enterprise, Strategic, Sectoral, Sustainability-ESG, Talent and Technological areas, builds resilience, and drives stakeholder confidence.



Integrated risk management

The business landscape is rapidly evolving, with new uncertainties challenging well-established business orthodoxies. This requires us to shift towards a more integrated and agile risk management process, that helps navigate and respond to challenges impacting strategic intent.

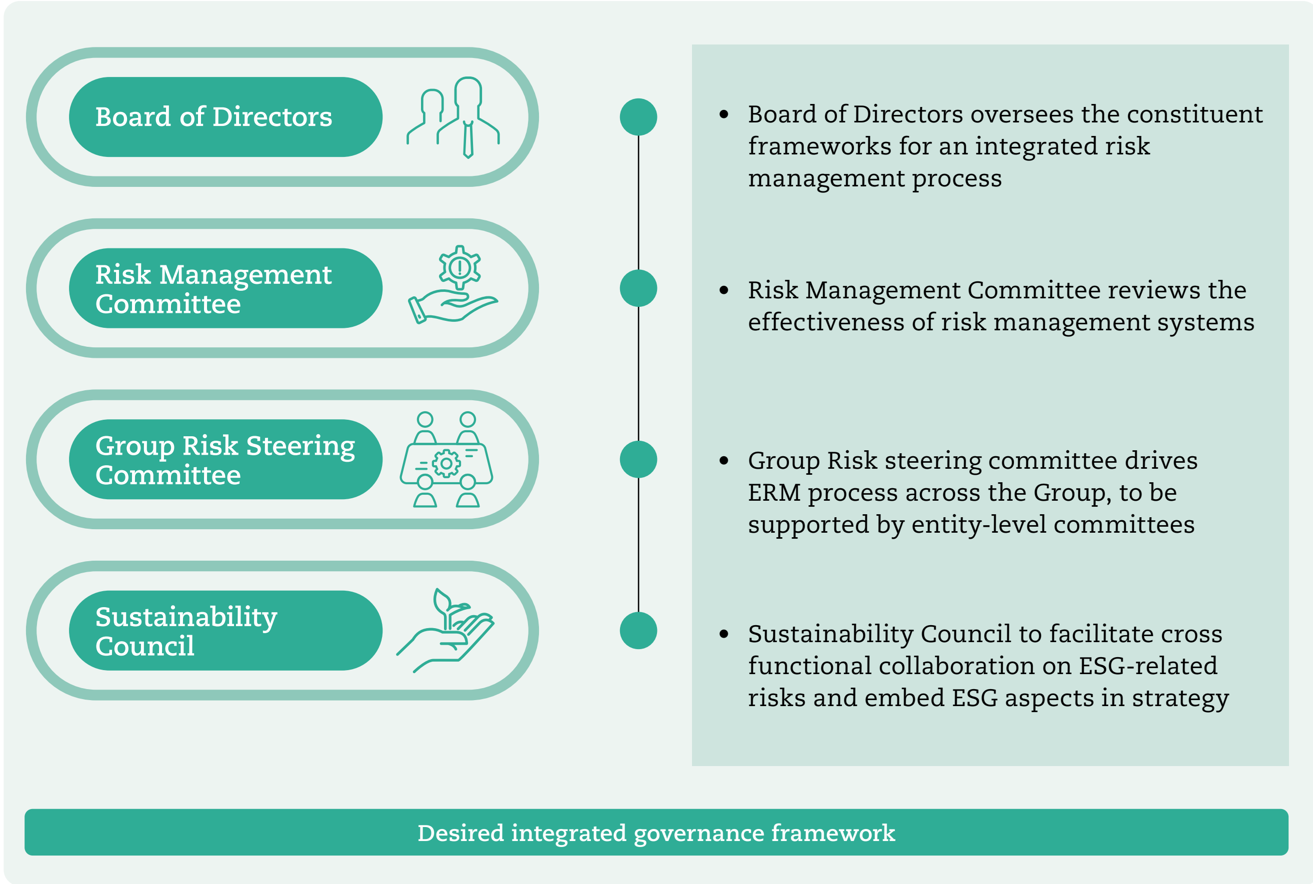
Risk management has been an integral aspect of our organisational activities and control systems, especially in the areas of manufacturing, quality, Environment, Health, and Safety (EHS), and compliance aspects. The risk management process covers functions, and operating locations across the organisation. Our endeavour is to foster a risk-enabled decision-making process based on the strategic and business objectives defined for the short, medium, and long term.



Our governance framework facilitates an integrated approach to risk management, with roles and responsibilities defined in a manner that ensures a comprehensive coverage and creates accountability across the organisation.

- The Board has constituted a Risk Management Committee (RMC). The RMC and its Steering Committee provide stewardship and oversight to the risk management process.
- The Steering Committee and the executive level committees assists the Board and RMC to deliberate on key risks and review effectiveness of controls to mitigate risk exposure
- A Sustainability Council has also been formed to provide a distinct view on sustainability across our strategy, objectives, and operations, that complements and is integrated with our risk management process. The Sustainability Council will facilitate collaboration to implement strategies that address ESG-related risks and opportunities. It encompasses representation from functions including Legal and Compliance, Quality, Manufacturing and EHS leaders to oversee organisational preparedness to risks that may impact long-term continuity or sustainability.

The Chief Risk Officer (CRO) leads Enterprise Risk Management (ERM) initiatives across the Company and assists RMC and Group Level Steering Committee in monitoring and reporting of key enterprise risks and associated mitigation plans. Employees are kept abreast with leading risk management practices through training programmes and workshops.



Our risk management process is aligned with leading international standards such as COSO ERM 2017 and ISO 31000:2018 and facilitates a combination of a bottom-up and top-down approach to facilitate strategic oversight and timely escalation of risks and issues.

- The leadership team identifies and assesses long-term and strategic risks for the Company. Emerging risks are identified and consolidated under major risk themes including ESG
- Assessment and prioritisation of risks based on a uniform risk rating criteria helps identify key risks that require focused mitigation strategies and management action.
- Periodic updates to the committees constituted by the Board, including Risk Management Committee, ensure there is adequate monitoring and provide a forum to deliberate on further enhancement of the risk management process.
- Risk owners are assigned for monitoring of risks on an ongoing basis, and risks are assessed for changes in associated risk rating.

The risk management framework is also reviewed periodically to ensure compliance with regulatory requirements and to factor the changes in the business environment.

Enablers to integrated risk management

Risk management process is embedded through periodic measures to effect, enhance and sustain risk culture. Risk mitigation and management is a responsibility that is shared by employees throughout the organisation, that is enabled by timely interventions for trends and emerging risks identified across the business landscape.

Our integrated risk management process is tech-enabled to provide an enterprise level view and enables seamless monitoring of risks, associated contributory factors, mitigation plans and their status thereof with dashboards, for management reviews.

Our business is driven by a strong commitment to operating with the highest standards of corporate governance, ethics, and integrity. We understand that adherence to regulations and compliance is a key aspect to holistic risk management process. To facilitate a robust compliance process, we have a compliance tool, that provides periodic updates and enables management oversight over compliance practices for an efficacious approach to risk management.

- Alignment of policy and framework with leading standards and industry practices
- Robust governance that aids in risk oversight and management
- Designated ownership of risks and associated mitigation plans through risk owners and champions
- Revisit risk assessment, repositories basis discussions with stakeholders across entities and units
- Peer benchmarking to identify and mitigate sectoral and external and external risks
- Comprehensive risk repository across entities and functions tracked through an integrated tool for risk review
- Aligned 3 lines across organisation and its entities
- Compliance management tool to facilitate effective monitoring and review
- Ensure robustness of internal controls with a dedicated internal audit function for IFC reviews
- Encourage a cohesive risk culture to drive a risk-aware decision-making process

Key risks in the business:

We regularly review our key risk areas, and the leadership retains the responsibility for determining the nature and extent of significant risks and drawing out commensurate mitigation response plans. We set out below our principal risks, which are prioritised, and periodically monitor associated mitigation plans which we believe help us to manage our risks.

Operational risks

- Product Approval
- Cost Competitiveness
- Regulatory Compliances
- Business Continuity–EHS and Disaster
- Customer Relationships in key markets
- Product Supply
- Product Safety and Product Efficacy
- Liquidity (Gross to Net)

Corporate risks

- Cyber Risks
- Statutory Compliances
- Merger and Acquisition
- Contract Monitoring
- Confidential Information

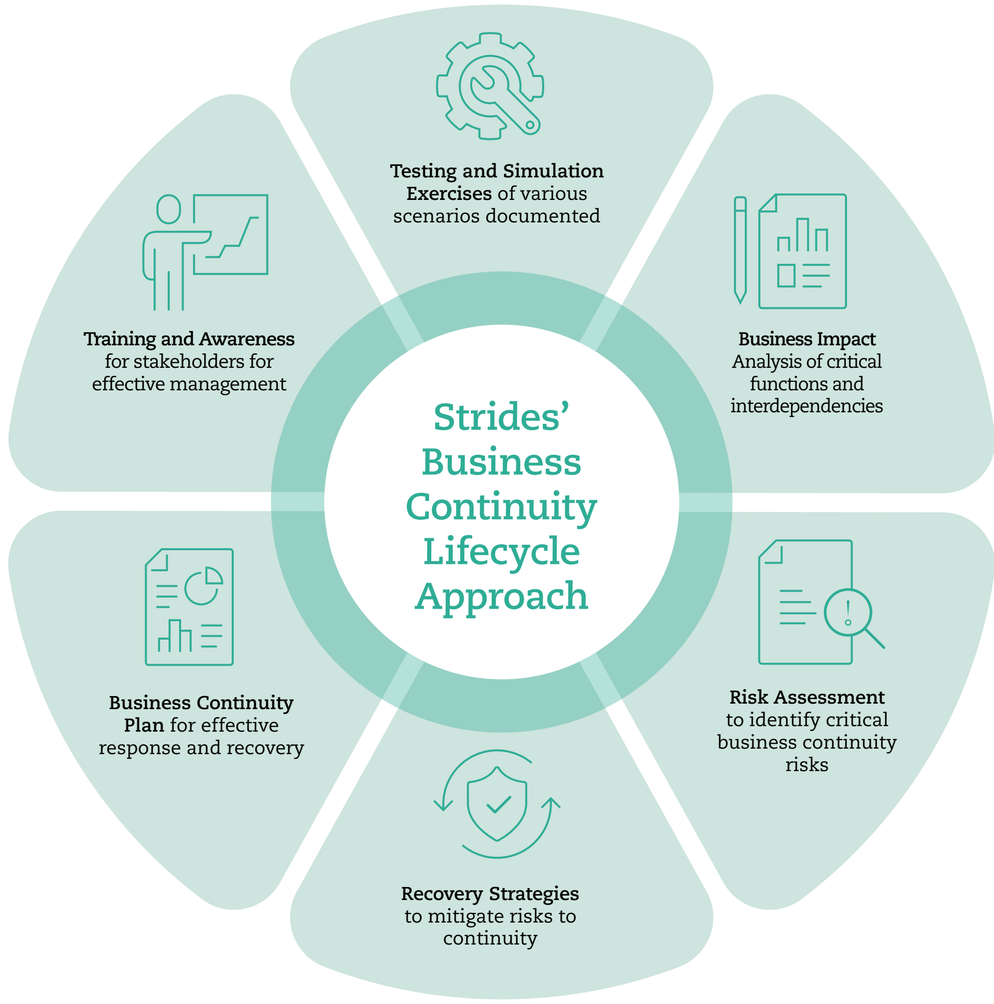
The Steering Committee shall continue to monitor the key risks and adequacy of mitigation plans on a periodic basis, while reviewing the risk landscape for emerging risks, including sustainability. Our comprehensive approach to risk management shall enable risk-informed decisions, manage crisis scenarios, and build a risk-intelligent culture across the organisation.

Resilience in action–Framework for building organisational resilience

Our constant focus is to ensure our business processes and functions are resilient to the uncertainties in our operating environment. Our risk management framework is integrated with crisis management, that equips the organisation with the ways and means of dealing with various crisis scenarios, to ensure effective response and recovery.

The executive level committees shall assess the varying business scenarios that may impact the business continuity of the organisation ('crisis events' or risks that have high impact and velocity) to assess the Company's readiness to respond to such scenarios and robustness of controls.

To ensure uninterrupted operations for critical functions and interdependencies, Strides is in the process of strengthening its business continuity framework based on leading standards and industry practices. The approach strives to ensure a broad coverage of possible critical business continuity risks including natural disasters, improve our capability to prepare, respond and recover, focused on existing risk mitigation plans built across critical business units/services/applications/processes.



As the organisation focuses on sustainable business growth, we are committed to step up our investments in resources, tools and technologies to make our risk management, compliance and business continuity processes more data driven and objective. We believe our integrated risk approach will help us build and equip our business with capabilities to sense and respond to risks across our organisational ecosystem in a co-ordinated, timely and effective manner.

Read more page 22

Internal control systems and adequacy

The Company's advanced IT infrastructure ensures adequate internal controls over business processes and practices. This internal control system provides reasonable assurance about the integrity and reliability of financial statements. Moreover, the Company has an active in-system audit programme, supported by Grant Thornton, which regularly encompasses various operations consistently. The Audit Committee reviews the Company's internal audit observations regularly.

Board's Report

Dear Shareholders,

On behalf of the Board of Directors of the Company, it gives me pleasure in presenting the 32nd Board's Report, along with the Audited Financial Statements (Consolidated & Standalone) for the financial year ended March 31, 2023.

1) Financial performance

Company has prepared the consolidated and standalone financial statements for the financial year ended March 31, 2023 in accordance with the Indian Accounting Standards (Ind AS) as prescribed under the Companies Act, 2013 **(Act)**.

Key highlights of financial performance of the Company for the financial year ended March 31, 2023 is provided below:

(Figures in Million)

Particulars	Consolidated Basis				Standalone Basis			
	FY 2022-23		FY 2021-22		FY 2022-23		FY 2021-22	
	INR	USD*	INR	USD**	INR	USD*	INR	USD**
1.1 Financial								
Continuing Operations								
Income	37,787.15	459.75	32,022.38	421.74	19,385.62	235.86	21,024.88	276.90
Operating Profit (EBITDA)	5,205.09	63.33	1,118.82	14.73	1,825.43	22.21	2,001.15	26.36
Net Profit (PAT)	(2,308.99)	(28.09)	(4,742.50)	(62.46)	46.82	0.57	1,801.88	23.73
Other Equity	21,219.55	258.18	22,694.38	298.89	33,647.48	409.39	33,168.93	436.84
Non-Controlling Interest	(393.75)	(4.79)	240.88	3.17				
1.2 Profits								
Operating Profit (EBITDA)	**5,205.09**	**63.33**	**1,118.82**	**14.73**	**1,825.43**	**22.21**	**2,001.15**	**26.36**
Less:								
Finance Cost	2,611.42	31.77	1,767.44	23.28	1,386.82	16.87	742.41	9.78
Depreciation & Amortisation	2,432.52	29.60	2,330.14	30.69	936.21	11.39	1,043.66	13.75
Exceptional Items (Gain)/ Loss	(170.32)	(2.07)	2,438.25	32.11	150.00	1.83	-	-
Profit Before Tax	**(9.17)**	**(0.11)**	**(5,417.01)**	**(71.34)**	**(647.60)**	**(7.88)**	**215.08**	**2.83**
Share of Profit/ (Loss) of Joint Ventures and Associates	(2,852.83)	(34.71)	(1,108.12)	(14.59)				
Profit Before Tax	**(2,862.00)**	**(34.82)**	**(6,525.13)**	**(85.94)**	**(647.60)**	**(7.88)**	**215.08**	**2.83**
Less: Tax Expenses /(Benefit)	(553.01)	(6.73)	(1,782.63)	(23.48)	(694.42)	(8.45)	(1,586.80)	(20.90)
Profit After Tax	**(2,308.99)**	**(28.09)**	**(4,742.50)**	**(62.46)**	**46.82**	**0.57**	**1,801.88**	**23.73**
Profit/ (Loss) from Discontinued operations	185.69	2.26	-	-	-	-	-	-
Total Profit	**(2,123.30)**	**(25.83)**	**(4,742.50)**	**(62.46)**	**46.82**	**0.57**	**1,801.88**	**23.73**
Other Comprehensive Income								
Items that will not be reclassified to profit/ (loss) (Net of Tax)	(568.05)	(6.91)	(67.68)	(0.89)	51.95	0.63	(1.63)	(0.02)
Items that may be reclassified to profit/ (loss) (Net of Tax)	647.21	7.87	557.67	7.34	(15.80)	(0.19)	(38.58)	(0.51)
Total Other Comprehensive Income (Net of Tax)	**79.16**	**0.96**	**489.99**	**6.45**	**36.15**	**0.44**	**(40.21)**	**(0.53)**
Total Comprehensive Income	**(2,044.14)**	**(24.87)**	**(4,252.51)**	**(56.01)**	**82.97**	**1.01**	**1,761.67**	**23.20**

Notes:

* 1 USD = ₹82.19 (Exchange Rate as on March 31, 2023)

** 1 USD = ₹75.93 (Exchange Rate as on March 31, 2022)

2) Company's performance

During FY 2022-23, your Company delivered a strong performance with sharper focus on growth, profitability and governance.

Consolidated revenue[1] of the Company grew by ~20% from ₹30,946 Million in FY 2021-22 to ₹37,042 Million in FY 2022-23, aided by significantly improved performance in the Regulated Markets.

Gross margins[2] grew by 463 basis points, from 51.50% in FY 2021-22 to 56.10% in FY 2022-23, an absolute increase of ₹4,850 Million i.e., from ₹15,923 Million in FY 2021-22 to ₹20,773 Million in FY 2022-23. Gross margins in Q4 FY 2022-23 stood at 59.50%, inched very close to the Company's historical peaks.

Steps taken to improve product-level costs, alternative vendor development for APIs and packaging material, improved efficiency in the production processes and yield loss minimisation has contributed to increased gross margins.

Further, reduction in operating expenses at manufacturing sites, cost of shipping, and overheads also contributed to the rise in EBITDA for FY 2022-23.

EBITDA[3] for FY 2022-23 stood at ₹4,460 Million, an increase of ₹4,418 Million over FY 2021-22 EBITDA. Overall EBITDA margin has improved in FY 2022-23 by 1,190 basis points to 12%.

On the debt position, Company reduced its total gross debt by ₹2,528 Million from ₹24,617 Million in FY 2021-22 to ₹22,089 Million in FY 2022-23, by utilisation of Arrotex proceeds and cash from operations. This reduction was despite increased sales and gross margins of ₹6,096 Million and ₹4,850 Million, respectively, significantly improving the net debt to EBITDA ratio. From 8.3x in Q1 FY 2022-23, Net Debt to Q4 FY 2022-23 Annual EBITDA was at 3.4x, nearing the targeted net debt to EBITDA of under 3x.

On compliance front, USFDA reclassified the Puducherry facility after lifting the warning letter issued to the site in June 2019.

Company received Establishment Inspection Reports (EIR) from USFDA confirming successful conclusion of inspections at four of our five USFDA approved manufacturing sites, i.e., Bengaluru, Puducherry, Singapore and Chestnut Ridge (US).

[1] Consolidated revenue referred in this section excludes interest income and income from current investments.

[2] Gross margin referred in this section excludes cost of materials consumed, purchases of stock-in-trade & changes in inventories of finished goods, work-in-progress and stock-in-trade.

[3] EBITDA referred in this section excludes employee benefits expense & other expenses.

Market Wise Performance

Regulated Markets

The Regulated Markets vertical comprising businesses in the US and Other Regulated Markets **(ORM)**, including the UK, the EU, Canada, Australia, and South Africa witnessed a growth of ~36% during the year. The Regulated Markets business contributed ₹30,950 Million (~84%) to the consolidated revenues of FY 2022-23.

The US market led by new product introductions and solid base performance, generated its highest-ever revenue of ₹18,447 Million (USD 232 Million) in FY 2022-23, ~58% growth y-o-y as against ₹11,650 Million (USD 157 Million) reported in FY 2021-22.

Base business witnessed continued growth, as leading products-maintained market share without experiencing significant pricing pressure. Further, the portfolio acquired from Endo Inc. and manufactured at Chestnut Ridge facility also contributed to the annual sales for FY 2022-23.

Company's reset strategy of concentrating on narrow niche products with limited Indian competition has been reinforced during the year. Consequently, of the ~60 commercialised products, Strides was ranked first in 19 products and second or third in 15 products. These products contributed to more than 75% of the total US revenues.

With the base business tracking to plan and product launches on course, Group has achieved pre-covid levels of revenue and profitability and remains optimistic about its growth in the US.

Focus shall remain on fast-tracking launches from the approved basket of ANDAs (280+ ANDAs with 260+ approvals), which comprises of acute and chronic products, including domains of controlled substances, hormones and nasal sprays.

Other Regulated Markets (ORM) performed well throughout the year and reported highest revenues of ₹12,503 Million (USD 157 Million) in

FY 2022-23, a ~12% growth y-o-y as against ₹11,180 Million (USD 150 Million) reported in FY 2021-22.

Front-End Markets in the United Kingdom and Nordics performed as anticipated, and the B2B markets grew further due to renewed focus on partnered business from the beginning of the year. Growth in this market was primarily driven by presence in key markets and IP led B2B partnerships in Europe, Australia and other regions where actions for expansion were already initiated.

Revenues from synergICE (Company's B2B platform for partnership led growth) and the geographic expansion in Latin America, Middle East, North Africa and Asia Pacific initiated at the beginning of FY 2022-23 contributed substantially to revenue growth of the Company.

This business continues to have strong order book visibility with growth trajectory continuing for ORM; and focus on R&D shall bolster the product portfolio for additional growth impetus.

Emerging Markets

Emerging Markets business includes African operations (except South Africa) and Institutional Business (i.e., Access Markets). This business contributed ₹6,092 Million (~16%) to the consolidated revenues of FY 2022-23.

Branded Africa business maintained its growth trajectory and the performance was bolstered by new product launches and enhanced efficiencies. Business scale up shall continue to be driven by increased market share and broader portfolio in key countries. Focus on efficiency and effectiveness of the field force shall also help to improve operational leverage for this market.

As the new tender off-take for antiretrovirals began, Access Markets returned to its growth in Q4 FY 2022-23. Given the nature of donor-funded purchases, lumpiness in this business is expected to continue. However, long-term growth in Institutional Business will continue to be driven by improved wallet share in the products through cost leadership.

Outlook for FY 2023-24

With further resetting of the existing businesses and accomplishing all the works that commenced at the beginning of the year, Company is building momentum for its businesses in FY 2023-24.

Company is confident of increasing its EBITDA from current levels and intends to achieve net debt to EBITDA ratio of less than 3x.

Key focus shall remain on manufacturing network optimisation, new product launches and market expansion. Company shall also continue to work on various cost improvement programs.

3) Dividend for FY 2022-23

Board of Directors of the Company are pleased to recommend for approval of the Members, a Dividend of ₹1.50/- per equity share (i.e., 15%) of face value of ₹10/- each for the financial year ended March 31, 2023.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Dividend Distribution Policy is available on the Company's website.

Web link to access the same is provided in Corporate Governance Report (Page 108), which forms part of this Annual Report.

4) Transfer to Reserves

Movement in Reserves and Surplus during the financial year ended March 31, 2023, is provided in the Statement of Changes in Equity included in the Consolidated and Standalone Financial Statements (Refer Note no. 20 and 19, respectively).

5) Corporate Updates

During the year under review, your Company has initiated/ undertaken the following key corporate updates:

(i) Issuance of Equity Warrants to a Promoter Group entity

Pursuant to approval accorded by Shareholders of the Company at the Extraordinary General Meeting held on April 7, 2022, Company allotted 2 Million Equity Warrants on April 26, 2022, on a preferential basis to M/s. Karuna Business Solutions LLP (Karuna), a Promoter Group Company, at a price of ₹442/- per Equity Warrant.

The said allotment is in compliance with the provisions of the Act, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulations.

Karuna has a right to apply for and get allotted, within a period of 18 months from the date of allotment of Warrants, in one or more tranches, One Equity Share of face value of ₹10/- each for each Warrant held.

Subscription

Karuna has paid ₹110.50/- per warrant as initial subscription amount i.e., 25% of the issue price aggregating to ₹221 Million during April 2022. Balance 75% of the Warrant price shall be payable by Karuna at the time of conversion into Equity Shares.

Conversion

In September 2022, 452,490 Warrants of Karuna were converted into Equity Shares. As at the date of this report, 1,547,510 Warrants are outstanding.

Utilisation

During FY 2022-23, Company raised ~₹371 Million from issuance and conversion of Warrants. The Company has fully utilised the amount towards capital resources and operations.

In terms of Regulation 32 of SEBI Listing Regulations, there was no deviation or variation in the use of proceeds raised through issue of Equity Warrants on a preferential basis, from the object as stated in the explanatory statement to the Notice of Extraordinary General Meeting held on April 7, 2022.

(ii) Raising of funds by way of issuance of Unlisted Non-Convertible Debentures

During July 2022, in order to support working capital needs, Board of Directors of the Company approved issuance and allotment of senior, secured, unrated, unlisted, redeemable, non-convertible debentures (NCDs) of face value of ₹10,00,000 each aggregating up to ₹150 Crores.

Out of the above, as at date of this report, Company has raised ₹125 Crores by way of issuance of NCDs.

(iii) Amalgamation of Vivimed Life Sciences Private Limited into the Company

Board of Directors of the Company at their meeting held on February 10, 2022 had approved an updated Scheme of Amalgamation for merger of its wholly owned subsidiary, Vivimed Life Sciences Private Limited (Vivimed) into the Company pursuant to the provisions of Section 230 to 232 of the Act (Scheme).

Appointed Date for the said Scheme is April 1, 2022, or such other date as the NCLT or such other competent authority may direct in relation to the amalgamation of Vivimed with Strides.

The Scheme is subject to approval of the shareholders and creditors of respective companies and approval of the Hon'ble National Company Law Tribunal, Mumbai Bench and other statutory/ regulatory approvals, as may be required.

Company expects to initiate merger activities post completion of certain outstanding matters at Vivimed during Q3 FY 2023-24.

(iv) Deconsolidation of Consumer Healthcare Business

During August 2022, in accordance with revised arrangement with the other investor, the Group reduced its voting rights in Consumer Healthcare (CHC) Business from 53.64% to 19%, and also ceded its Board representation at CHC.

Consequently, the Group no longer has any significant influence over the CHC business and is retaining this as a treasury investment.

(v) Deconsolidation of Universal Corporation Limited, Kenya

As part of the 'In Africa for Africa' strategy, the Group had acquired majority stake (i.e., 51%) in Universal Corporation Limited, Kenya (UCL) during May 2016.

Based on the historical performance of UCL, UCL would have a favourable opportunity to participate and win certain local tenders if it is a Kenyan Company i.e., Kenyan shareholders owning at-least 51% ownership in UCL.

In order to maximise opportunities for UCL, effective September 30, 2022, Group decided to reduce its equity shareholding below majority and also ceded control over the Board of UCL in favour of other existing shareholders.

Pursuant to the above arrangement, UCL has become an Associate Company of Strides effective September 30, 2022. As at date of this report, the Group holds ~48.98% stake in UCL.

(vi) Update on Stelis Biopharma Limited (Stelis)

Stelis is a biopharmaceutical company headquartered in Bengaluru and an Associate Company of Strides.

As at date, Strides group has invested ₹6,329.69 Million into Stelis and hold ~ 31.12% stake in the entity.

During FY 2022-23, Strides sought and received Shareholders' approval for continuing its support in the form of Corporate Guarantee and/ or Security for the proposed debt restructuring plan of Stelis for an amount not exceeding ₹7,000 Million. Stelis is discussing with multiple potential lenders for its debt restructuring.

Board of Directors of Stelis have also appointed international advisors to evaluate several strategic options for Stelis. The exercise is nearing completion and an update on the same will be provided in due course.

(vii) Reclassification of certain Promoters/ Promoter Group to Public Shareholding category

During the year, few members of the Promoter/ Promoter Group (group) were reclassified as Public Shareholders pursuant to approval accorded by the Stock Exchanges (NSE & BSE) on February 22, 2023 and March 13, 2023. Shareholders' approval for this matter was obtained by way of Postal Ballot on January 14, 2022.

Consequent to the above, Promoter/ Promoter Group stake in the Company as at March 31, 2023 is at 28.27%.

6) Board of Directors and Key Managerial Personnel (KMP) of the Company

Company is in compliance with the provisions of the Act and the SEBI Listing Regulations with regard to the composition of the Board.

As at date of this Report, Strides' Board comprises of Six Directors viz., Two Executive Directors and Four Independent Directors, details of which are provided below:

#	Name	Designation
Executive Directors		
1	Arun Kumar	Executive Chairperson & Managing Director (KMP)
2	Badree Komandur	Executive Director – Finance & Group CFO (KMP)
Independent Directors		
3	S Sridhar	Independent Director & Chairperson of Audit Committee
4	Bharat Dhirajlal Shah	Independent Director & Chairperson of Nomination & Remuneration Committee and Stakeholders' Relationship Committee
5	Homi Rustam Khusrokhan	Independent Director & Chairperson of Risk Management Committee
6	Dr. Kausalya Santhanam	Independent Director & Chairperson of CSR Committee
Company Secretary		
7	Manjula Ramamurthy	Company Secretary (KMP)

Changes in Board of Directors & KMP of the Company during the year and to the date of this report is as under:

(i) **Change in Designation:** Mr. Arun Kumar (DIN: 00084845), Founder and Non-Executive Chairperson of the Board, was appointed as Executive Chairperson & Managing Director of the Company effective April 7, 2022 for a period of three years. Approval of Shareholders of the Company was received through Postal Ballot on July 6, 2022.

Mr. Arun Kumar is also one of the KMP of the Company effective April 7, 2022.

(ii) **Re-appointment of Independent Director:** Mr. Homi Rustam Khusrokhan (DIN: 00005085) was re-appointed as an Independent Director of the Company effective May 18, 2022 for a second term of five years. Approval of Shareholders of the Company was received at the Extraordinary General Meeting held on April 7, 2022.

(iii) **Resignation of Director:** Mr. Deepak Calian Vaidya (DIN: 00337276) who was a Non-executive Director of the Company, resigned with effect from the closing business hours of November 14, 2022 owing to his pre-occupation. Board of Directors of the Company placed on record their appreciation for Deepak for his significant contributions during his 25+ years association with Strides and acknowledged that Strides had benefited immensely from his experience and guidance at many junctures.

(iv) **Retirement by rotation and re-appointment:** In terms Section 152 of the Act, Mr. Badree Komandur (DIN: 07803242) Executive Director - Finance & Group CFO, retired by rotation and being eligible was reappointed as Director of the Company at the Annual General Meeting held on September 9, 2022.

(v) **Re-appointment of Executive Director:** Mr. Badree Komandur (DIN: 07803242) was re-appointed as Whole-time Director designated as Executive Director – Finance & Group Chief Financial Officer of the Company effective May 18, 2023 for a third term of three years. Approval of Shareholders of the Company was received through Postal Ballot on March 22, 2023.

Retirement by Rotation & Re-appointment at the ensuring AGM

In terms of Section 152 of the Act, proposal for re-appointment of Mr. Arun Kumar, retiring director, as Director of the Company shall be placed before Members of the Company at the ensuing AGM. Your directors recommend his re-appointment on the Board of the Company.

A detailed profile of Mr. Arun Kumar as required under the Act, SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is provided in the explanatory statement to the Notice convening the 32nd AGM of the Company.

Board Committees

Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee.

Board has constituted the following Statutory Committees:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Relationship Committee
4) Corporate Social Responsibility Committee &
5) Risk Management Committee

Details of meetings of Board and Board Committees held during FY 2022-23 along with information relating to attendance of each director/ committee member is provided in the Corporate Governance Report, which forms part of this Annual Report.

7) Authorised Share Capital

Authorised Share Capital of the Company as at March 31, 2023 is ₹1,883,700,000/- divided into 188,370,000 equity shares of ₹10 each.

Issued, Subscribed and Paid-up Share Capital

Date	Number of Shares	Amount	Remarks
April 1, 2022	89,790,214 equity shares of face value ₹10 each	₹897,902,140/-	
March 31, 2023	90,302,704 equity shares of face value of ₹10 each	₹903,027,040/-	Includes 60,000 equity shares issued pursuant to exercise of ESOPs during the year; and 452,490 equity shares issued pursuant to conversion of Warrants

8) Subsidiary, Joint Ventures and Associate Companies

Details of Subsidiaries, Joint Venture and Associate entities as at March 31, 2023 are provided herein below:

Nature of Relationship	India	Overseas	Total
Subsidiaries	3	29	32
Joint Ventures	-	1	1
Associates	3	5	8
Total	**6**	**35**	**41**

List of Subsidiaries, Joint Venture and Associate entities which have become or ceased to be part of the Group during the year is enclosed as **Annexure-1** to this Report.

9) Accounts of Subsidiaries

In accordance with Section 129 (3) of the Act, the Company has prepared a consolidated financial statement.

A statement containing salient features of the financial statements of the Company's subsidiaries, joint ventures and associate companies as required in Form AOC 1 is enclosed as **Annexure-2** to this Report.

10) Corporate Governance Report

As per SEBI Listing Regulations, Corporate Governance Report along with the Auditor's Certificate thereon for FY 2022-23 forms part of this Annual Report.

11) Management Discussion and Analysis Report

As per SEBI Listing Regulations, Management Discussion and Analysis Report for FY 2022-23 forms part of this Annual Report.

12) Business Responsibility and Sustainability Report

As per SEBI Listing Regulations, Business Responsibility and Sustainability Report of the Company for FY 2022-23 forms a part of this Annual Report.

13) Employee Stock Option Scheme

Company has one Stock Option Plan viz., Strides Employee Stock Option Plan 2016 (ESOP Plan).

A statement giving detailed information on stock options granted to Employees under the ESOP Plan as required under Section 62 of the Act, read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is enclosed as **Annexure-3** to this Report and is also available at https://www.strides.com/investor-financial.html

14) Particulars of Employees

Statement containing particulars in terms of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as **Annexure-4** to this report.

As per the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees is to be provided.

However, in terms of the first proviso to Section 136(1) of the Act, Annual Report, excluding the aforesaid information, is being sent to Shareholders of the Company and others entitled thereto.

The said information is available for inspection up to the date of ensuing AGM. Any Shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

15) Corporate Social Responsibility (CSR)

Strides' CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management.

Weblink to access the Strides' CSR Policy is provided in Corporate Governance Report (Page 108), which forms part of this Annual Report.

A detailed report on the CSR activities undertaken during FY 2022-23 is enclosed as **Annexure-5** to this Report.

16) Loans, Guarantees or Investments

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Act, are given in Note no. 37 to the standalone financial statements in the Annual Report.

17) Contracts or Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during FY 2022-23 with related parties were in ordinary course of business and at arm's length basis. Further, there are no materially significant related party transactions made by the Company which may have potential conflict with the interests of the Company.

Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure-6** to this Report.

All transactions with related parties are disclosed in Note no. 42 to the Standalone Financial Statements in the Annual Report.

Web link to access Strides' Policy for Governance of Related Party Transactions is provided in Corporate Governance Report (Page 108), which forms part of this Annual Report.

18) Auditors and Audit Reports

Secretarial Audit Report

M/s. Gopalakrishnaraj H H & Associates, Company Secretaries in Practice (Certificate of Practice No: 4152) is the Secretarial Auditor for the Company.

Secretarial Audit for FY 2022-23, inter alia, included audit of compliance with the Act and the Rules made thereunder, SEBI Listing Regulations and applicable Regulations prescribed by SEBI, amongst others.

Secretarial Audit Report does not contain any qualifications, observations or adverse remarks.

The said Report is enclosed as **Annexure-7** to this report.

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022) were re-appointed as Statutory Auditors of the Company at the AGM held on September 9, 2022 for the second term of five (5) years i.e., from the conclusion of the 31st AGM till the conclusion of the 36th AGM of the Company to be held in the year 2027.

Auditors' Report given by M/s. B S R & Co. LLP, Chartered Accountants for the financial year ended March 31, 2023, is enclosed along with the financial statements in the Annual Report.

Auditors' Report does not contain any qualifications, observations or adverse remarks.

Internal Auditors

M/s. Grant Thornton Bharat LLP (formerly known as Grant Thornton India LLP) (LLPIN: AAA-7677) are the Internal Auditors of the Company.

During the year under review, Internal Auditors were satisfied with the management response on the observations and recommendations made by them during the course of their audit.

Cost Auditors

Pursuant to Section 148(1) of the Act, Company is required to maintain cost records and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(3) of the Act and the Companies (Cost Records and Audit) Rules, 2014, M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), were appointed as the Cost Auditors of the Company for FY 2022-23.

19) Internal Financial Controls

Company has in place adequate framework for Internal Financial Controls as required under Section 134(5)(e) of the Act. During the year under review, such controls were tested and no material weaknesses in their design or operations were observed.

20) Risk Management

Company has a risk management framework for identification and management of risks.

In line with the SEBI Listing Regulations, Company has constituted Risk Management Committee (RMC) comprising of members of Board and Senior Management Personnel.

Terms of reference of the Committee and composition thereof including details of meetings held during FY 2022-23 forms part of the Corporate Governance Report, which forms part of this Annual Report.

Additional details relating to Risk Management is provided in the Management Discussion and Analysis Report forming part of this Report.

21) Other Disclosures

a) Nature of Business of the Company

There has been no change in the nature of business of the Company during the year under review.

b) Deposits

Company has not accepted any deposits covered under Chapter V of the Act. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

c) Vigil Mechanism/ Whistle Blower policy

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company, which is in conformity with the provisions of the Act and SEBI Listing Regulations.

The said Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to matters concerning the Company.

The Policy aims to:

- allow and encourage stakeholders to bring to the management's notice concerns about unethical behaviour;
- ensure timely and consistent organisational response;
- build and strengthen a culture of transparency and trust; and
- provide protection against victimisation.

The said Policy also establishes adequate mechanism to enable employees to report instances of leak or suspected leak of unpublished price sensitive information.

Every director/ employee of the Company has been provided access to the Audit Committee Chairperson/ Whistle Officer through email or correspondence address or by calling designated toll-free number, should they desire to avail the vigil mechanism. During the review period, none of the personnel of the Company has been denied access to the Audit Committee.

Audit Committee of the Company oversees implementation of the Whistle Blower Policy. During the year, Company has not received any protected disclosure.

Web link to access Strides' Whistle Blower Policy is provided in Corporate Governance Report (Page 108), which forms part of this Annual Report.

d) Policy on Directors Appointment and Remuneration (Strides' Nomination and Remuneration Policy)

Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Act is available on the Company's website.

Web link to access Strides' Whistle Blower Policy is provided in Corporate Governance Report (Page 108), which forms part of this Annual Report.

e) Disclosure on compliance with Secretarial Standards

Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

f) Reporting of Fraud

No frauds were reported by Auditors of the Company as specified under Section 143 of the Act for the Financial Year ended March 31, 2023.

g) Significant and material orders passed by Regulators or Courts

There were no significant and material orders passed by Regulators/ Courts that would impact the going concern status of the Company and its future operations.

h) Annual Return of the Company

Pursuant to Section 92 of the Act and Rules made thereunder, Annual Returns filed by the Company has been uploaded on the website of the Company and can be accessed at https://www.strides.com/cg-annual-return.html

i) Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo

Details of Energy Conversation, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo is enclosed as **Annexure-8** to this Report.

j) Policy on Prevention of Sexual Harassment at workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013 (PoSH Act) and Rules framed thereunder. Strides has adopted a gender-neutral policy.

In terms of PoSH Act, Company has constituted Internal Complaints Committee (ICC) to redress complaints received on sexual harassment. Adequate trainings and awareness programmes against sexual harassment are conducted across the organisation.

Disclosure relating to PoSH complaint during the year is provided in the Corporate Governance Report, which forms part of this Annual Report.

k) General

a) During the year, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016. Further, there is no Corporate Insolvency Resolution Process initiated under the IBC Code.

b) During the year, there was no one-time settlement done with the Banks or Financial Institutions. Therefore, the requirement to disclose details of difference between amount of valuation done at the time of one-time settlement and the valuation done, while taking loan from Banks or Financial Institutions along with reasons thereof, is not applicable.

22) Declaration by Independent Directors

In accordance with Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, each Independent Director has confirmed to the Company that they continue to meet the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.

In opinion of the Board, Independent Directors of the Company possess necessary expertise, integrity and experience in their respective fields.

Further, all Independent Directors have confirmed that they have registered with the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act.

23) Board Evaluation

Evaluation of all Directors, Committees, Chairperson of the Board, and the Board as a whole was conducted for the year. Evaluation process has been explained in the Corporate Governance Report, which is part of this Annual Report.

24) Material changes and commitments, if any

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year to which this financial statement relates and the date of this report.

25) Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (3)(c) of the Act with respect to the Directors' Responsibility Statement, Board of Directors of your Company state that:

(a) in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) directors have prepared annual accounts of the Company on a going concern basis;

(e) directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

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

26) Acknowledgement

Your directors would like to take this opportunity to express their sincere gratitude to all employees, customers and suppliers who have contributed to Strides' success over the past years. Their hard work, dedication and support have been instrumental in achieving our goals and driving our business forward.

We would also like to thank our shareholders for their continued trust and investment in the Company.

We are committed to build strong relationships with all our stakeholders, and we value their feedback and inputs as we strive to improve and grow our business.

We look forward to your continued support in the years ahead.

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson &
Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure 1

Details of Subsidiaries, Joint Venture and Associate entities which have become or ceased to be part of Strides' Group during FY 2022-23

Part A - Entities incorporated

#	Name of the Entity	Category	Incorporation Date
1.	Strides Pharma Services Private Limited, India (WOS of Arco Lab Private Limited)	WOS	July 11, 2022
2.	Stelis Biopharma UK Private Limited, UK [WOS of Stelis Biopharma Limited (formerly, Stelis Biopharma Private Limited)]	Associate	November 30, 2022

Part B - Entities that became part of Strides' Group

#	Name of the Entity	Effective Date
1.	Neviton Softech Private Limited, India	August 5, 2022

Part C – Entities merged

#	Name of the Entity	Merged with	Effective Date
1.	Stabilis Pharma Inc., USA (WOS of Strides Pharma Inc., USA)	Strides Pharma Inc., USA	September 4, 2019 vide entity records dated July 1, 2022
2.	Arrow Pharma Pte. Ltd, Singapore (WOS of Strides Pharma Asia Pte. Ltd., Singapore)	Strides Pharma Asia Pte. Ltd., Singapore	March 30, 2023

Part D – Entities ceased to be part of Strides' Group

#	Name of the Entity	Remarks	Effective Date
1.	Strides Global Consumer Healthcare Limited, UK; Strides Consumer LLC, USA; and Strides Consumer Private Limited, India (Erstwhile Associate companies of Strides Group)	Pursuant to deconsolidation of CHC Business	August 8, 2022 (Consequently, said entities are treated as Treasury investment for Strides)

Part E – Change in category of Entities

#	Name of the Entity	Category	Effective Date
1.	Universal Corporate Limited, Kenya	Changed from 'Subsidiary' to 'Associate'	September 30, 2022

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure 2

FORM AOC 1

(Pursuant to first proviso of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Statement containing salient features of the financial statement of Subsidiaries

#	Name of the Subsidiary	Country of incorporation	Reporting Period	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
1	Altima Innovations Inc.	USA	31-03-2023	USD	82.19	221.17	(220.58)	0.59	-	-	-	-	0.04	(0.04)	-	100.00%
2	Apollo Life Sciences Holding Proprietary Limited	South Africa	31-03-2023	ZAR	4.62	-	(0.01)	0.65	0.66	-	0.02	(0.01)	-	(0.01)	-	51.76%
3	Arco Lab Private Limited	India	31-03-2023	INR	1.00	3.53	1,349.29	1,789.52	436.70	-	1,174.93	152.13	38.71	113.42	-	100.00%
4	Arrow Life Sciences (Malaysia) SDN BHD	Malaysia	31-03-2023	MYR	18.62	1.02	(0.96)	0.10	0.03	-	-	0.95	-	0.95	-	100.00%
5	Arrow Pharma Pte. Ltd*	Singapore	31-03-2023	USD	82.19	-	-	-	-	-	-	(0.33)	-	(0.33)	-	-
6	Beltapharm S.p.A^	Italy	31-12-2022	EUR	89.09	129.72	109.61	668.20	428.88	-	595.95	11.85	-	11.85	-	97.94%
7	Eris Pharma GmBH^	Germany	31-12-2022	EUR	89.09	2.23	(42.85)	5.44	46.06	-	0.43	(15.44)	-	(15.44)	-	70.00%
8	Fairmed Healthcare AG^	Switzerland	31-12-2022	CHF	89.83	110.49	(268.98)	2,255.56	2,414.05	-	802.58	(117.03)	0.04	(117.07)	-	70.00%
9	Fairmed Healthcare GmbH^	Germany	31-12-2022	EUR	89.09	18.71	(2,041.18)	417.55	2,440.03	-	381.56	(274.48)	-	(274.48)	-	70.00%
10	Generic Partners UK Limited	UK	31-03-2023	GBP	101.38	0.01	40.28	40.81	0.52	-	-	(1.89)	-	(1.89)	-	100.00%
11	Pharmapar Inc.^	Canada	31-12-2022	CAD	60.81	304.07	(456.79)	39.05	191.77	-	-	(17.50)	-	(17.50)	-	100.00%
12	Stabilis Pharma Inc. #	USA	31-03-2023	USD	82.19	-	-	-	-	-	-	-	-	-	-	-
13	Stelis Biopharma (Malaysia) SDN. BHD.	Malaysia	31-03-2023	MYR	18.62	247.31	(146.45)	100.88	0.02	-	-	4.44	-	4.44	-	100.00%
14	Strides Arcolab International Limited	UK	31-03-2023	USD	82.19	5,243.32	(982.39)	8,179.42	3,918.49	509.58	-	(270.37)	-	(270.37)	-	100.00%
15	Strides CIS Limited	Cyprus	31-03-2023	USD	82.19	0.27	(41.34)	(38.09)	2.98	-	-	(37.58)	-	(37.58)	-	100.00%
16	Strides Lifesciences Limited	Nigeria	31-03-2023	NGN	0.18	1.88	(270.75)	21.32	290.19	-	16.54	(38.28)	0.32	(38.60)	-	100.00%
17	Strides Pharma (Cyprus) Limited	Cyprus	31-03-2023	EUR	89.09	0.25	1,680.26	1,883.60	203.10	-	1,300.32	288.60	37.79	250.81	-	100.00%
18	Strides Pharma (SA) Pty Limited	South Africa	31-03-2023	ZAR	4.62	-	(102.53)	166.91	269.43	-	235.20	(68.07)	-	(68.07)	-	60.00%
19	Strides Netherlands B.V.^	Netherlands	31-12-2022	EUR	89.09	1.78	24.97	112.09	85.35	-	91.42	11.34	4.09	7.25	-	100.00%
20	Strides Nordic ApS,	Denmark	31-03-2023	DKK	12.00	0.48	60.61	442.92	381.83	-	559.12	88.43	19.65	68.78	-	100.00%
21	Strides Pharma Science Pty Ltd	Australia	31-03-2023	AUD	54.95	121.57	(79.48)	42.90	0.82	-	-	(17.70)	-	(17.70)	-	100.00%

#	Name of the Subsidiary	Country of incorporation	Reporting Period	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
22	Strides Pharma Services Private limited	India	31-03-2023	INR	1.00	1.00	(1.23)	0.19	0.42	-	-	(1.23)	-	(1.23)	-	100.00%
23	Strides Pharma Global (UK) Limited	UK	31-03-2023	GBP	101.38	4,486.92	(2,963.03)	1,456.59	(67.31)	19.48	-	(91.45)	-	(91.45)	-	100.00%
24	Strides Pharma Asia Pte. Ltd	Singapore	31-03-2023	USD	82.19	14,410.32	2,012.02	17,071.70	649.37	-	0.70	(8.40)	-	(8.40)	-	100.00%
25	Strides Pharma Canada Inc. ^	Canada	31-12-2022	CAD	60.81	605.38	(196.83)	462.52	53.98	-	64.70	(109.84)	-	(109.84)	-	100.00%
26	Strides Pharma Global Pte. Limited	Singapore	31-03-2023	USD	82.19	16,672.79	(3,065.20)	30,275.30	16,667.70	82.35	16,319.92	(1,260.87)	419.39	(1,680.26)	-	100.00%
27	Strides Pharma Inc.	USA	31-03-2023	USD	82.19	1,657.07	5,790.12	23,025.77	15,578.58	1.35	17,640.40	638.34	122.25	516.09	-	100.00%
28	Strides Pharma International Limited	Cyprus	31-03-2023	USD	82.19	36.00	1,307.40	1,426.25	82.85	-	-	95.58	(17.41)	112.99	-	100.00%
29	Strides Pharma UK Limited	UK	31-03-2023	GBP	101.38	1.46	918.01	2,618.06	1,698.59	-	2,384.33	87.74	(77.02)	164.76	-	100.00%
30	Strides Pharma Latina SA De CV	Mexico	31-03-2023	MXN	4.55	51.33	(31.01)	27.22	6.90	-	-	(1.33)	-	(1.33)	-	80.00%
31	SVADS Holdings SA	Switzerland	31-03-2023	CHF	89.83	466.59	(20.08)	648.83	202.31	-	-	(42.51)	3.58	(46.09)	-	100.00%
32	Trinity Pharma Proprietary Limited	South Africa	31-03-2023	ZAR	4.62	0.01	391.03	1,549.42	1,158.38	-	1,426.02	144.09	40.10	103.99	-	51.76%
33	Universal Corporation Limited**	Kenya	31-03-2023	KES	0.67	-	-	-	-	-	1,598.45	(693.96)	46.11	(740.07)	-	48.98%
34	Vensun Pharmaceuticals Inc.	USA	31-03-2023	USD	82.19	4,999.61	(6,307.32)	(1,307.71)	-	-	-	-	-	-	-	100.00%
35	Vivimed Life Sciences Private Limited	India	31-03-2023	INR	1.00	282.67	(50.94)	1,459.41	1,277.67	-	993.65	(349.36)	(96.38)	(252.98)	-	100.00%

Notes:

^ Numbers provided are for the period April 1, 2022 to March 31, 2023

* Merged with Strides Pharma Asia Pte. Ltd., Singapore effective March 30, 2023

** Ceased to be subsidiary effective September 30, 2022

Merged with Strides Pharma Inc., US during FY

FORM AOC 1

(Pursuant to first proviso of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014)

Part B: Statement related to Associate Companies and Joint Ventures

#	Name of Associate/ Joint Venture	Stelis Biopharma Limited, India (formerly, Stelis Biopharma Private Limited)	Aponia Laboratories Inc, USA	Neviton Softech Private Limited, India	Sihuan Strides (HK) Limited, Hong Kong (Joint Venture)
1	**Latest Audited Balance Sheet Date**	March 31, 2023	March 31, 2021	March 31, 2023	December 31, 2021
2	**Shares of Associate/ Joint Venture held by the Company on the year end on a consolidated basis**				
	Number	12,929,220 equity shares	3,734,074 preference shares	2,780 shares	2,450,000 shares
	Amount of Investment in Associate/ Joint Venture	₹3,026.47 Million	Nil	₹109.72 Million	₹93.17 Million
	Extent of Holding%	31.12%	24.00%	25.00%	49.00%
3	**Description of how there is significant influence**	Shareholding and Board representation	Shareholding and Board representation	Shareholding and Board representation	Shareholding and Board representation
4	**Reason why the Associate/ Joint Venture is not consolidated**	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	**Networth attributable to Shareholding as per latest Audited Balance Sheet**	₹2,431.72 Million	₹21.87 Million	₹39.18 Million	₹140.45 Million
6	**Profit/ (Loss) for the year**				
	Considered in Consolidation	(₹2,744.45) Million	(₹4.16) Million	₹9.99 Million	(₹34.04) Million
	Not considered in Consolidation	Nil	Nil	Nil	Nil

Notes:

1) Subsidiaries of Associates are not disclosed above.

2) Universal Corporation Limited, Kenya (UCL) is an associate company effective September 30, 2022. Latest available audited data is not disclosed above as the same pertains to FY 2021-22, viz., when UCL was a subsidiary of the Company.

For and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

Date: May 25, 2023
Place: Bengaluru

Annexure 3

Details of Strides Employee Stock Options pursuant to SEBI Regulation and Companies Act, 2013

During the year under review, Company had one ESOP scheme viz., Strides ESOP Plan 2016.

With respect to the above, following are details of Employee Stock Options pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act, 2013 as at March 31, 2023.

	Description	Strides ESOP Plan 2016	
A	Disclosure of confirmation of any material change in the scheme(s) and is in compliance with the regulations	None during the year	
B	Disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in this regard from time to time	Please refer to Note No. 40 of the Standalone Financial Statements	
C	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as prescribed from time to time	Continuing Operations	₹0.52
		Discontinued Operations	₹0.00
		Total Operations	₹0.52
D	**Details relating to ESOP**		
1)	**Total options approved under the Scheme**	**30,00,000 Options**	
2)	Date of Members' approval	April 21, 2016	
3)	Vesting requirements	3-year scheme Vesting schedule: Year 1: 20% Year 2: 30% Year 3: 50%	
4)	Pricing formula	Decided by the Compensation Committee from time to time, which shall be, not less than 75% of the market price of the shares on the date of grant of option.	
5)	Maximum term of options granted	Three years from the date of initial grant under the scheme, subject to vesting schedule	
6)	Source of shares (primary, secondary or combination)	Primary	
7)	Variation of terms of options	None	
E	Method used to account for ESOP	Fair Value Method	
F	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that should have been recognised if it had used the fair value of the option, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Compensation Cost has been accounted under fair value.	
G	**Option movement during the year**		
(i)	Outstanding options as at April 1, 2022	1,35,250 Options	
(ii)	Options granted during the year under review	4,42,500 Options	
(iii)	Options lapsed during the year under review	1,61,250 Options	
(iv)	Options vested during the year under review	33,500 Options	
(v)	Options exercised during the year under review	46,500 Options	
(vi)	Total number of shares arising as a result of exercise of options	46,500 Options	
(vii)	Money realised by exercise of options	₹1,36,74,000/-	
(viii)	Total number of options in force at the end of the period ending March 31, 2023	3,70,000 Options	
(ix)	Available for further grant	23,09,450 Options	
H	Weighted average exercise price	₹294.06	

Description		Strides ESOP Plan 2016
I	Weighted average fair value of options	₹153.68
J	**Employee-wise details of options granted during the year under review:**	
(i)	Senior Managerial Personnel/ Key Managerial Personnel	Refer Note 1 below
(ii)	Any other employee who received grant in any one year of option amounts to 5% or more of options during that year	Refer Note 2 below
(iii)	Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	NONE
K	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:	The Fair Value of options granted were estimated on the grant date using the Black Scholes method. Details of assumptions used in the estimation of fair value as at grant date for options granted during the previous year are given below:

Scheme	ESOP 2016														
	LOT 1	LOT 2	LOT 3	LOT 4	LOT 5	LOT 6	LOT 7	LOT 8	LOT 9	LOT 10	LOT 11	LOT 12	LOT 13	LOT 14	LOT 15
Grant date	June 15, 2016	May 18, 2017	Aug 14, 2017	Aug 8, 2018	Jan 29, 2019	July 29, 2019	Sep 20, 2019	Oct 25, 2019	May 20, 2020	May 26, 2021	Aug 31, 2021	May 24, 2022	July 29, 2022	Nov 14, 2022	Jan 24, 2023
Exercise Price (in ₹)	841.25	792.45	656.10	301.00	378.40	265.20	269.70	257.65	311.00	599.00	455.80	231.00	251.00	240.00	253.00
Repriced on April 24, 2018* (in ₹)	711.85	670.56	555.18	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Risk free interest rate	7.52%	6.73%	6.52%	7.78%	7.53%	6.44%	6.78%	6.66%	6.041%	6.023%	6.223%	7.359%	7.414%	7.287%	7.346%
Expected life	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected annual volatility of shares	69.47%	42.86%	38.96%	34.30%	32.65%	27.28%	32.67%	35.76%	36.52%	39.06%	38.26%	49.22%	45.22%	19.06%	42.97%
Expected dividend/ yield	40%	40%	40%	40%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
The price of the underlying share in market at the time of option grant (in ₹)	1128.94	1037.51	896.72	414.85	504.50	352.75	360.10	373.00	414.40	798.60	607.70	307.25	334.45	319.05	337.10

Volatility is calculated from the method of historical volatility, based on the three years data of closing market prices of the Company's shares as per the data recorded by NSE and the average number of trading days during that period. It is the percentage co-efficient within the option pricing formulae.

* Pursuant to de-merger of Commodity API business of the Company to Solara Active Pharma Sciences Limited and in terms of the Composite Scheme, exercise price of outstanding stock options held by existing/ retained employees were repriced to adjust effect of de-merger on the stock price.

Note 1: Employee wise details of options granted during the year under review:

Name of Employee	Designation	Category	No. of options	Exercise price (in ₹)	Scheme name
1. Vikesh Kumar	Head of Business Finance	SMP	25,000	231.00	ESOP 2016
2. Christoph Funke	Chief Operations Officer – Manufacturing	SMP	15,000	231.00	ESOP 2016
3. Ramesh RJ	Sr. Vice-President – Treasury	SMP	15,000	231.00	ESOP 2016
4. Sormistha Ghosh	Group General Counsel & CRO	SMP	15,000	231.00	ESOP 2016
5. Ankit Gupta	Vice-President - Corporate Strategy and Development	SMP	10,000	231.00	ESOP 2016
6. Amit Gupta	Sr. Vice-President – Taxation	SMP	5,000	231.00	ESOP 2016
7. Bharathi R	Senior VP, Head of Global Procurement	SMP	10,000	251.00	ESOP 2016
8. Swamy KN	Head - Global Analytical Development & Services	SMP	10,000	251.00	ESOP 2016

Note 2: Employees who received grant more than 5% of FY 2022-23 grant:

Name of Employee	Designation	Category	No. of options	Exercise price (in ₹)	Scheme name
1. Venkatesh Srinivasan	President, US Operations	Other Employee	50,000	231.00	ESOP 2016
2. Vikesh Kumar	Head of Business Finance	SMP	25,000	231.00	ESOP 2016
3. Shivaprasad N	Chief Business Officer, US Operations	Other Employee	25,000	240.00	ESOP 2016

Kindly note that this report is also available at http://www.strides.com/investor-financial.html

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure 4

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. Ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year ended March 31, 2023

As at March 31, 2023, Strides' Board comprised of Six Directors - viz., 2 Executive Directors and 4 Independent Directors.

Non-Executive Directors (including Independent Directors) **(NED/ ID)** receive sitting fees of ₹100,000/- for attending each meeting of the Board and Audit Committee.

They are also eligible for an annual commission in addition to the sitting fees and reimbursement of expenses, if any, for participation in the said meetings. Quantum of commission payable to NED/ ID is subject to the provisions of the Companies Act, 2013 (Act) read with Schedule V of the Act and approval of shareholders of the Company.

Median remuneration for the period under review is approx. ₹5,87,400 per annum. One-time payment made to employees for individual projects, if any, and Full & Final Settlement made at the time of separation are excluded while considering the median remuneration.

Ratio of remuneration of Executive Directors to the median remuneration of employees of the Company for financial year ended March 31, 2023 is as under:

Name of Director	Designation	Ratio of remuneration to the median remuneration
Arun Kumar	Executive Chairperson & Managing Director	102*
Badree Komandur	Executive Director - Finance & Group CFO	75

** During the year, Mr. Arun Kumar drew ₹1 as fixed pay. Board of Directors, based on the recommendation of Nomination & Remuneration Committee, has recommended performance linked variable pay of ₹6 Crores, which is subject to shareholders' approval. Payout of the same is factored while considering ratio of remuneration to median remuneration.*

b. Percentage increase in median remuneration of employees during the financial year ended March 31, 2023 was 6.01%.

Percentage increase in remuneration of Executive Directors, Chief Financial Officer, Company Secretary during the financial year ended March 31, 2023 is as under:

Name	Designation	% increase in remuneration in FY 2022-23
Arun Kumar	Executive Chairperson & Managing Director	Not Applicable as appointed during the FY
Badree Komandur	Executive Director - Finance & Group CFO	Not Applicable as Badree opted out of hike in remuneration during the FY
Manjula Ramamurthy	Company Secretary	3.35%

c. Company had 2,209 permanent employees (including Union employees) on the rolls of Company as at March 31, 2023 on a standalone basis.

d. Average percentile increase made in salaries of employees other than the managerial personnel in the last financial year was around 5.57%

Company affirms that remuneration to Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure 5

CORPORATE SOCIAL RESPONSIBILITY REPORT FOR FY 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

At Strides, community development programmes are integral to our sustainability strategy. The Company strives to go beyond compliance and create sustainable value for communities. Strides CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management.

The Policy encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programmes for welfare and sustainable development of the community at large.

OBJECTIVES OF THE POLICY

a) Serve as principal guiding document for Strides CSR initiatives;

b) Describe core themes and related impact areas as per Schedule VII;

c) Outline projects and geographies for undertaking CSR initiatives;

d) Provide framework for selection, implementation, management and monitoring of CSR initiatives.

FOCUS AREAS OF ENGAGEMENT

Strides CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management.

Projects to promote the wellbeing of the society has been developed post a comprehensive Community Need Analysis.

CSR PROJECTS IMPLEMENTATION

CSR activities directly or through Strides Foundation, a not-for-profit organisation or such other Implementation Agencies as approved by the CSR Committee of the Company.

2. Composition of the CSR Committee:

#	Name of the Director	Designation/ Nature of Directorship	Date of Appointment as Member of the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Kausalya Santhanam	Chairperson/ Independent Director	Jan 9, 2020	3	3
2	Homi Rustam Khusrokhan	Member/ Independent Director	May 18, 2017	3	3
3	Arun Kumar	Member/ Executive Chairperson & Managing Director	May 23, 2014	3	3
4	Deepak Vaidya*	Member/ Non-Executive Director	May 23, 2014	3	2

* resigned effective November 14, 2022

3. Web-link relating to Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the Company's website on https://www.strides.com/corporate-CSR.html

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **Not Applicable**

5.

(a) Average net profit of the company as per sub-section (5) of section 135:	88,73,17,785.88
(b) Two percent of average net profit of the company as per sub-section (5) of section 135:	1,77,46,355.72
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
(d) Amount required to be set off for the financial year, if any	-
(e) Total CSR obligation for the financial year [(b) + (c) - (d)].	1,77,46,355.72

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	2,02,25,256
(b) Amount spent in Administrative Overheads:	8,87,318
(c) Amount spent on Impact Assessment, if applicable:	-
(d) Total amount spent for the Financial Year [(a) + (b) + (c)]	2,11,12,574

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
2,11,12,574	-	NA	NA	-	NA

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

Sl. No	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135:	1,77,46,355.72
(ii)	Total amount spent for the Financial Year	2,11,12,574
(iii)	Excess amount spent for the financial year [(ii)-(i)]	33,66,218
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	33,66,218

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

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹).	Amount Spent in the Financial Year (in ₹)	Amount transferred to any Fund specified under Schedule VII as per sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2019-20	-	-	-	-	NA	-	NA
2	FY 2020-21	-	-	-	-	NA	-	NA
3	FY 2021-22	32,54,785	-	32,54,785	-	NA	-	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: ~~YES~~/ NO

If YES, enter the number of Capital Assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the financial year: **NIL**

Sl. No	Short particulars of the property or asset (s) (including complete address and location of the property)	Pincode of the property or asset (s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					(6)		
(1)	(2)	(3)	(4)	(5)	CSR Registration Number, if applicable	Name	Registered address
			NIL				

(All the fields should be captured as appearing in the revenue records, flat no. house no. Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **Not Applicable**

For and on behalf of the Board of Directors

Dr. Kausalya Santhanam
Independent Director &
Chairperson of CSR Committee
DIN: 06999168

Arun Kumar
Executive Chairperson &
Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure-6

Form AOC 2

Particulars of Contracts/ Arrangements with Related Parties referred in Section 188 (1) of the Companies Act, 2013

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1) **Details of contracts or arrangements or transactions not at arm's length basis:** All contracts/ arrangements/ transactions entered into by the Company with related parties during FY 2022-23 were at arms' length.

2) **Details of material contracts or arrangements or transactions at arms' length basis for the year ended March 31, 2023, are as under:**

#	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions	Monetary Value (₹ in Million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
1	Strides Pharma Global Pte. Limited, Singapore	Wholly owned Subsidiary	Sale of materials/ services, Purchase of materials/ services, Rental expenses, Support Service Income, Guarantee Commission Income, Sale of IPs and Purchase of Assets	Ongoing	Based on Transfer Pricing guidelines	11,833.50	Appropriate approvals have been taken for the transactions	Nil
2	Solara Active Pharma Sciences Limited, India	Enterprise owned or significantly influenced by Director	The Company predominantly purchases APIs from Solara. In addition to the above, the Company also have transactions in the nature of Rental Income and Sale of material/ services.	Ongoing	Based on Transfer Pricing guidelines	2,039.32	Appropriate approvals have been taken for the transactions	Nil

Note: Above data excludes reimbursement of expenses incurred by/ incurred on behalf of related party (Refer Note no. 42 of the Standalone Financial Statements).

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson &
Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure-7

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2023

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

To,
The Members,
Strides Pharma Science Limited
CIN: L24230MH1990PLC057062

Regd. Office:
201, 'Devavrata', Sector 17, Vashi,
Navi Mumbai – 400 703, Maharashtra, India.

Corporate Office:
'Strides House', Bilekahalli. Bannerghatta Road
Bengaluru – 560 076, Karnataka, India.

We have conducted the secretarial audit of compliance of applicable statutory provisions and the adherence to good corporate practices by **'Strides Pharma Science Limited'** ('the Company').

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined books, papers, minute books, forms, and returns filed and other records maintained by the Company for financial year ended on March 31, 2023, according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; and

5) 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

   e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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

We further report that, there were no events/ actions in pursuance of the following requiring compliance thereof by the Company during the Audit period.

1) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

2) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

3) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

1) Secretarial Standards issued by the Institute of Company Secretaries of India; and

2) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

We further state that, during the period under review and based on our verification of records maintained by the Company and also on review of compliance reports/ statements by the respective Department Heads/ Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism commensurate to the size and nature of the Company's business, exist in the Company to monitor and ensure compliances with applicable laws, industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

We, further report that:

1) As at March 31, 2023, Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2) Adequate notice is given to all Directors to schedule Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and in few meetings with shorter notice as per Secretarial Standard – 1, and a system exists for seeking and obtaining further information and clarifications on Agenda items before the meeting and for meaningful participation at the meeting.

3) Decisions of Board were unanimous and there were no dissenting views by any member of the Board during the period under review.

We further report that during the audit period:

1) On April 7, 2022, Company received Members' approval at the Extraordinary General Meeting for:

   a) Re-appointment of Mr. Homi Rustam Khusrokhan (DIN: 00005085) as an Independent Director of the Company effective May 18, 2022, for a second term of five years; and

   b) Issuance of Equity Warrants on Preferential Basis to M/s Karuna Business Solutions LLP, a Promoter Group entity.

2) Company has issued equity shares on account of conversion of equity warrants and exercise of stock options granted under the applicable ESOP Plan.

   Further, Company has also issued and allotted senior, secured, unrated, unlisted, redeemable, non-convertible debentures (NCDs) during the year.

   Company has not issued any preference shares or sweat equity during the audit period.

3) On July 6, 2022, Company received Members' approval through Postal Ballot for appointment of Mr. Arun Kumar as Executive Chairperson & Managing Director of the Company effective April 7, 2022, for a period of three years.

4) At the Annual General Meeting held on September 9, 2022, Company received Members' approval for:

   a) Adoption of Audited Financial Statements for Financial Year ended March 31, 2022;

   b) Re-appointment of Mr. Badree Komandur, retiring director, as an Executive Director;

   c) Re-appointment of M/s. B S R & Co. LLP, as Statutory Auditors of the Company; and

   d) Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the financial year ended March 31, 2022.

5) On February 6, 2023, Company received Members' approval at the Extraordinary General Meeting for:

a) Security/ Corporate Guarantee to be continued for borrowings of Stelis Biopharma Limited under Section 185 of the Companies Act, 2013; and

b) Security/ Corporate Guarantee to be continued for the borrowings of Stelis Biopharma Limited under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6) On March 22, 2023, Company received Members' approval through Postal Ballot for:

a) Re-appointment of Mr. Badree Komandur (DIN: 07803242) as Whole-time Director designated as Executive Director – Finance & Group CFO; and

b) Approval of remuneration payable to Mr. Badree Komandur (DIN: 07803242), Whole-time Director designated as Executive Director – Finance & Group CFO.

7) During the year, few members of Promoter/ Promoter Group ('Group') were reclassified as Public Shareholders pursuant to approval accorded by the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on February 22, 2023, and March 13, 2023. Shareholders' approval for this matter was obtained by way of Postal Ballot on January 14, 2022.

8) the Company has not undertaken any foreign technical collaborations

For Gopalakrishnaraj H H & Associates
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/2020
UDIN: F005654E000366696

Place: Bengaluru
Date: May 24, 2023

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Strides Pharma Science Limited
CIN: L24230MH1990PLC057062

Regd. Office:
201, 'Devavrata', Sector 17, Vashi,
Navi Mumbai – 400 703, Maharashtra, India.

Corporate Office:
'Strides House', Bilekahalli, Bannerghatta Road
Bengaluru – 560 076, Karnataka, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained Management Representation about compliance of laws, rules and regulations and happening of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test 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 Gopalakrishnaraj H H & Associates
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/2020
UDIN: F005654E000366696

Place: Bengaluru
Date: May 24, 2023

Annexure-8

Particulars on Conservation of Energy, R&D, Technology Absorption and Foreign Exchange earnings/ outgo for FY 2022-23

A. Conservation of Energy

i) Steps taken and impact on conservation of energy

a) 1,01,894 KL of waste water treated by Waste Water Treatment Plant and reused for garden/ lawn inside the plant premises across all sites in India.

b) 20,542 KL of water recycled from steam condensate and reused for steam generation.

c) 22,867 KL rainwater collected and recharged to improve ground water table in and around the plant.

d) Additional heat recovery system for condensate water has been installed at Tablet, OLT[1], SVMS[2], LVMS[3] in KRSG, Bengaluru;

e) 2,800 sq. ft. of sun shield coating for terrace area completed to reduce air conditioning load.

ii) Steps taken by the Company for utilising alternative sources of energy

a) 12,949 Tonne of CO2 emissions reduction achieved by utilisation of 17.8 Million units imported energy from solar power generators.

b) 10,41,946 kWh renewable energy generated inhouse.

c) Achieved ~2.23% of inhouse clean energy generated.

d) Installation of 2 MW solar power plants covering all 3 India manufacturing sites is under progress; where 1.3 MW installation has been completed to harvest clean energy from roof top solar power panels.

B) Technology absorption

i) Efforts made towards technology absorption are:

a) Oral Dosage Facility, KRSG, Bengaluru

- Fette – 3200i Tablet compression machine from Germany installed to meet increased demand of bi-layer tablets of TLD[4] & EET[5] volumes;
- 360° inspection system from Sensum, Slovenia is installed for inspecting Tablets/ HGC - system can inspect one Million units per shift, which has improved compliance.
- Blister packing line BQS delivering 150 packs/ minute is qualified and released for commercial package.

b) Oral Dosage facility – Chandapura, Bengaluru

- New Bottle Labeling machine installed to reduce rejection at labelling stage and improved throughout.

c) Oral Dosage facility – Alathur, Tamil Nadu

- Plant Environmental Condition Monitoring system made live for online environmental conditions monitoring – to improve compliance in process area.
- Product Transfer System 1000 Kgs/Hr for 2.5 KL blender has been installed to improve efficiency and compliance.

[1]Oral Liquid and Topicals
[2]Small Volume Manufacturing Suit
[3]Large Volume Manufacturing Suit
[4]Tenofovir Disoproxil Fumarate/ Lamivudine/ Dolutegravir Tablets
[5]Efavirenz/ Emtricitabine/ Tenofovir Disoproxil Fumarate Tablets

ii) In case of import technology (imported during the last year), the year of Import whether the technology has been fully absorbed:

a) 360° inspection system from Sensum, Slovenia installed for Tablets/ HGC inspection in KRSG facility – fully absorbed.

b) Fette – 3200i Tablet compression machine from Germany installed in KRSG facility - fully absorbed.

Expenditure on R&D

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Capital	185.34	168.36
Revenue	640.84	799.12
Total	**826.18**	**967.48**

Total Foreign Exchange Earned and Used

(₹ in Million)

Particulars	Year ended March 31, 2023
Foreign exchange earned in terms of actual inflows	32,096.56
Foreign exchange outgo in terms of actual outflows	15,697.97

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

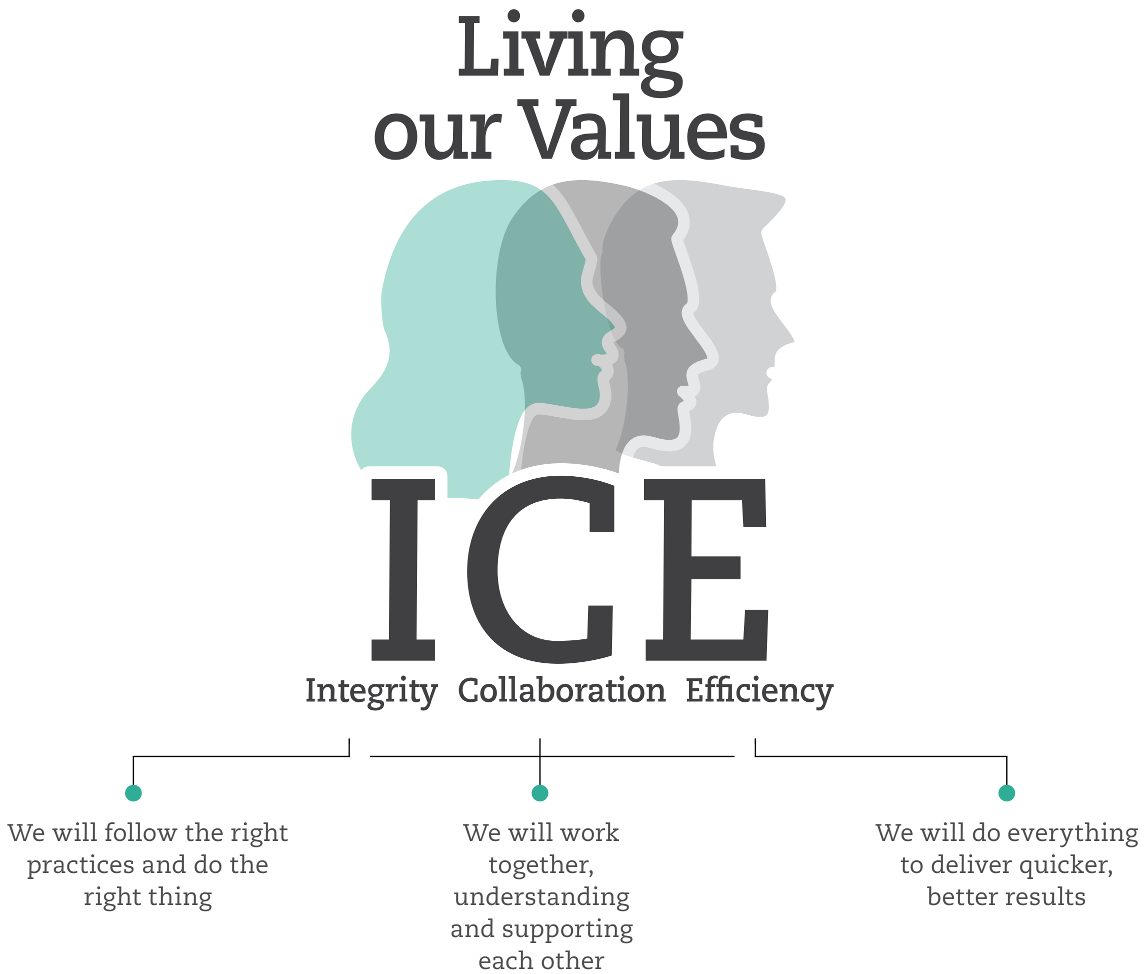
Corporate Governance Report

In compliance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (Listing Regulations), the Company submits the Corporate Governance Report for FY 2022-23.

1. Corporate Governance at Strides

At Strides, we are committed to upholding the highest Corporate Governance standards.

We are guided by our values **Integrity, Collaboration and Efficiency (ICE)** in everything we do.



We strive to maintain our position as one of the leading Indian Pharmaceutical Company with an excellent reputation for ***Quality*** and ***Integrity*** remains our governing principle in all aspects of our everyday conduct.

As a global and multidisciplinary organisation, we aim to capitalise on the strength of effective ***Collaboration.*** This cross-functional collaboration is what we refer to as the power of 'One Strides'. It brings us closer together. We shall remain a globally competitive company by optimising our capacity and being exceptionally good at what we do.

Our third core value, ***Efficiency,*** emphasises the importance of getting it right first and maximising our resources to achieve the greatest results.

Based on our values, we have established our business and ethos. They foster trust and a strong relationship with all of our stakeholders and enable us to fulfill our commitment to the **3 Ps** - our **Patients**, who rely on us; our **People,** who are our most valuable assets and our **Purpose** of making a difference in healthcare and society.

2. Board of Directors

Board of Directors **(Board)** are at the core of our Corporate Governance practice and they oversee and ensure that the Management serves and protects the long-term interest of all stakeholders.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

2.1. Board Composition

Strides Board is well diversified and has an appropriate mix of Executive and Non-Executive Directors (including Independent Directors) (NED).

Strides' Board possesses an optimal mix of professionalism, knowledge and experience.

Strides in in compliance with the provisions of the Companies Act, 2013 (Act) and Listing Regulations with regard to composition of the Board.

As on the date of this Report, Strides' Board comprises of Six Directors – Two Executive Directors and Four Independent Directors (including one Woman Director). Further, there are no inter-se relationships between the Board members.

Detailed profile of Strides directors is available on the Company's website at https://www.strides.com/corporate-board.html.

a. Changes in Board Composition during FY 2022-23 and till the date of this report

During FY 2022-23 and till the date of this report, there were changes in the Board composition viz., change in designation, re-appointment of Independent Director, resignation of Director and re-appointment of Executive Director.

Details of the same is provided hereunder:

1. **Change in designation:**

   Mr. Arun Kumar (DIN: 00084845), Founder and Non-Executive Chairperson of the Board, was appointed as Executive Chairperson & Managing Director of the Company effective April 7, 2022 for a period of three years. Approval of Shareholders of the Company was received through Postal Ballot on July 6, 2022. Mr. Arun Kumar is also one of the KMP's of the Company effective April 7, 2022.

2. **Re-appointment of Independent Director:**

   Mr. Homi Rustam Khusrokhan (DIN: 00005085) was re-appointed as Independent Director of the Company effective May 18, 2022 for a second term of five years. Approval of Shareholders of the Company was received at the Extraordinary General Meeting held on April 7, 2022.

3. **Resignation of Director:**

   Mr. Deepak Calian Vaidya (DIN: 00337276) who was a Non-Executive Director of the Company, resigned with effect from the closing business hours of November 14, 2022 owing to his pre-occupation.

4. **Retirement by rotation and re-appointment:**

   In terms of Section 152 of the Act, Mr. Badree Komandur (DIN: 07803242) Executive Director - Finance & Group CFO, retired by rotation and being eligible was reappointed as Director of the Company at the Annual General Meeting held on September 9, 2022.

5. **Re-appointment of Executive Director:**

   Mr. Badree Komandur (DIN: 07803242) was re-appointed as a Whole-time Director designated as Executive Director - Finance & Group CFO of the Company effective May 18, 2023 for a for a further term of three years. Approval of Shareholders of the Company was received through Postal Ballot on March 22, 2023.

b. Retirement by Rotation & Re-appointment at the ensuing AGM

In terms of Section 152 of the Act, proposal for re-appointment of Mr. Arun Kumar, retiring director, as Director shall be placed before Shareholders at the ensuing Annual General Meeting of the Company (AGM). Your Directors recommend his re-appointment.

A detailed profile of Mr. Arun Kumar as required under the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is provided in the explanatory statement to the Notice convening the 32nd AGM of the Company.

c. **Key Board Qualifications, Expertise and Attributes**

Board members are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

These skills/ competencies are broad-based, encompassing several areas of expertise/ experience and each Director may possess varied combinations of skills/ experience within the described set of parameters as listed herein.

The table below summarises the key skills, expertise, competencies and attributes which are taken into consideration by the Nomination and Remuneration Committee (NRC) while recommending appointment of directors to the Board.

Area of Expertise	Remarks
Management and Leadership Experience	Strong management and leadership experience including in areas of business development, strategic planning and mergers and acquisitions, ideally with major corporates with successful multinational operations in manufacturing, international business, scientific research and development, senior level government experience and academic background.
Functional and Managerial Experience	Knowledge and skills in accounting and finance, business judgement, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Pharma Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Corporate Governance	Developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Personal Values	Personal characteristics matching the Company's values viz., Integrity, Collaboration and Efficiency.

Mapping of Directors' skills/ expertise/ competence in line with the above criteria has been provided as part of Directors' profile, which is enclosed as **Annexure CG 1**.

2.2 Induction & Familiarisation program for Board Members

Strides has a familiarisation/ orientation program for induction of its Directors, which aims to provide insights about the Company and its business operations. The program is customised to suit Director's individual interests and area of expertise.

On being appointed to the Board, each Director undergoes a comprehensive orientation process and are provided with induction kit which *inter-alia* includes business profile & group structure of the Company, Board and Audit Governance process and Corporate policies of the Company amongst others.

Further, during quarterly meetings, business and functional heads of the Company meet the Board members, and comprehensive presentations are made on aspects such as business models/ strategies, risk mitigation/ minimisation procedures, recent trends in pharma industry and regulatory regime impacting the Company. These meetings also facilitate Board Members to provide their inputs and suggestions on the above matters directly to the business and functional heads.

Policy on familiarisation programme for NEDs and details of familiarisation programs imparted to such directors is available on the website of the Company at https://strides.com/pdf/Committees%20of%20the%20Board/2023/strides'_familiarisation_programme_for_neds.pdf

2.3 Board Evaluation

Board evaluation framework at Strides has been designed in compliance with the requirements under the Act and the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017.

Nomination and Remuneration Committee has specified the criteria for performance evaluation of the Directors (including Independent Directors), the Board and its Committees.

Board's functioning is evaluated on various aspects including structure of the Board, strategy, meetings of the Board, stakeholders value and responsibility, information management, governance and compliance parameters amongst others.

Directors are evaluated on aspects such as strategy, function, ethics and values and other general criteria.

Committees of the Board are evaluated on aspects such as mandate, composition and terms of reference of the Committees, reviews and decision making, governance and compliance as a whole.

Performance evaluation of Independent Directors are carried out by the entire Board, excluding the Director being evaluated. Performance evaluation of Chairperson, Board (as a whole) and Board Committees is carried out by all members of the Board. Evaluation of performance of Executive Directors is carried out by members of NRC.

In line with the Board Evaluation Policy of the Company, annual performance evaluation for FY 2022-23 was conducted for all Board Members, as well as for working of the Board and its Committees. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees and Individual Directors, with qualitative parameters and feedback based on ratings. Evaluation was led by the Chairperson of NRC.

2.4 Nomination and Remuneration Policy for the Board of Directors, KMP and SMP

Company has formulated a Nomination and Remuneration Policy for the Board of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company which is uploaded on the website of the Company at https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides'nrc_policy_July_2022.pdf

A. Details of Remuneration paid to Directors

i. **Remuneration to Non-Executive Directors (including Independent Directors)**

NEDs are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and Commission, as per the provisions of the Act and Listing Regulations.

Company does not have any pecuniary relationship or transactions with its NEDs other than payment of sitting fees/ reimbursement of expenses paid to them for attending Board and Committee meetings and payment of Commission, if any.

Remuneration by way of Commission to NED is decided by the Board and distributed to them post Shareholders' approval.

Proposal to pay Commission to the NEDs for FY 2022-23 is included in the Notice of this AGM and is payable subject to approval of the Shareholders' of the Company.

Details of Sitting Fees & Commission paid/ payable to NEDs for FY 2022-23 is as under:

Name	Sitting Fees (₹)	Commission* (₹)	Total Compensation (₹)
Deepak Vaidya**	700,000	6,66,667	13,66,667
Dr Kausalya Santhanam	12,00,000	10,00,000	22,00,000
S Sridhar	12,00,000	10,00,000	22,00,000
Bharat Shah	12,00,000	10,00,000	22,00,000
Homi Rustam Khusrokhan	12,00,000	10,00,000	22,00,000
Total	**55,00,000**	**46,66,667**	**1,01,66,667**

** As recommended by the Board - Payable post Shareholders' approval in the ensuing AGM.*

*** Mr. Deepak Vaidya ceased to be a Director of the Company effective November 14, 2022.*

ii. **Details of Remuneration paid to Independent Directors on the Board of Material Subsidiaries during FY 2022-23**

In line with Regulation 24 of the Listing Regulations, Company has nominated Dr. Kausalya Santhanam, one of its Independent Directors, on the Board of its Material Subsidiaries.

Sitting fees paid by each of the entities to Dr. Kausalya during FY 2022-23 is as under:

#	Name of the entity	Total Amount paid for FY 2022-23
1.	Strides Pharma Asia Pte. Ltd, Singapore	USD 6,000/-
2.	Strides Pharma Global Pte. Limited, Singapore	USD 6,000/-
3.	Strides Pharma Inc, USA	USD 6,000/-
4.	Strides Arcolab International Limited, UK	USD 6,000/-
	Total	**USD 24,000/-**

iii. **Remuneration to Executive Directors**

Remuneration to Executive Directors is a combination of Fixed and Variable components, as recommended by NRC and approved by the Board, in line with the remuneration approved by Shareholders of the Company.

Details of remuneration paid/ payable to Executive Directors in FY 2022-23 is as under:

Amount in ₹

Particulars	Arun Kumar	Badree Komandur
Gross Salary (incl. Company's contribution towards PF)	1.00	3,64,99,992
Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
Others		
Annual Bonus/ Performance linked payout (for FY 2022-23)	6,00,00,000*	75,00,000**
Performance Criteria	Upon achievement of operational profitability and other deliverables as agreed with the Board	Upon achievement of strategic, operational and financial outcomes as agreed with the Board.
Total	**6,00,00,001**	**4,39,99,992**
Other benefits	• Insurance and other Employee Benefits as per Company Policy; • Encashment of un-availed leave as per Company's Policy; • Reimbursement of expenses incurred for Strides' business related matters; • Chauffer driven car for use on Company's business; • Telephone facility at residence; & • One Club Membership.	• Insurance and other Employee Benefits as per Company Policy; • Encashment of un-availed leave as per rules of the Company; • Reimbursement of expenses incurred for Strides' business related matters; • Chauffer driven car for use on Company's business.

** As recommended by NRC and Board. Payable post Shareholders' approval in the ensuing AGM.*

*** Maximum payable as per Shareholders' approval. Actual payout shall be as recommended by NRC and Board in July 2023.*

iv. Service contracts, Notice period and Severance fees relating to Executive Directors

Service Contract

Mr. Arun Kumar is the Founder Director of the Company and was appointed as Executive Chairperson and Managing Director on April 7, 2022 for a period of three years.

Mr. Badree Komandur is a Professional Director and was re-appointed as Whole-time Director designated as Executive Director – Finance & Group CFO on May 18, 2023 for a period of three years.

Either of the parties (i.e., Executive Directors & Company) may terminate this arrangement without assigning any cause, by giving the other party a written notice of three months in advance.

Severance fees

As per the terms of appointment of Mr. Arun Kumar and Mr. Badree Komandur, there is no severance fees payable to them.

v. Details of stock options held by Directors

As on date of this report, none of the Directors of the Company hold any stock options of the Company.

3. Meetings of the Board and Committees

Company has adopted digital meetings platform for its Board and Committee meetings, which can be accessed through web version, iOS and Android based application.

Board/ Committee Agenda and related notes are made available to the Directors through this application, which meets the standards of security and integrity that is required for storage and transmission of Board/ Committee related documents in electronic form.

Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting any business.

Recommendations of the Committees are placed before the Board for requisite approvals. During the year under review, the Board has accepted all the recommendations of the Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

Tentative dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the Members of the Board, to facilitate Directors to plan their schedules and ensure meaningful participation.

However, in case of a special and urgent business need, depending on the matter to be transacted, either a Board Meeting is convened at shorter notice or Board's approval is obtained by way of a circular resolution.

3.1 Board Meetings held during the year

During FY 2022-23, Board met six times on the following dates:

1. May 24, 2022
2. June 30, 2022
3. July 29, 2022
4. November 14, 2022
5. January 10, 2023 &
6. January 24, 2023.

Gap between two Board meetings during the year under review did not exceed one hundred and twenty days. Requisite quorum was present for all the meetings.

3.2 Attendance details of the Directors for the year ended March 31, 2023 is given below

Name of the Director	Category	No. of Meetings held during their tenure	No. of Meetings attended
Arun Kumar	ED	6	6
Badree Komandur	ED	6	6
Deepak Vaidya*	NED	4	4
Dr Kausalya Santhanam	ID	6	6
S Sridhar	ID	6	6
Bharat Shah	ID	6	6
Homi Rustam Khusrokhan	ID	6	6

** Deepak Vaidya stepped down as a Director of the Company effective November 14, 2022.*

3.3 Meeting of Independent Directors

Independent Directors of the Company met on May 24, 2022, to *inter-alia* discuss and evaluate the performance of all Board Members, the Board as a whole & its various Committees and performance of the Chairperson of the Board.

3.4. Board Committees

Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee.

Board has constituted the following Statutory Committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee (SHR Committee);
4. Corporate Social Responsibility Committee (CSR Committee); &
5. Risk Management Committee (RMC)

a. Audit Committee

Terms of reference of the Committee

Terms of reference of the Audit Committee covers areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations.

Terms of reference of the Audit Committee, inter alia, includes the following:

a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Examination of the Company's financial statements and Auditor's Report on the same.

c) Discuss and review with the Management and Auditors, the annual/ quarterly financial statements before submission to the Board for approval.

d) Review of Management Discussion and Analysis of financial condition and results of operations.

e) Recommend to the Board appointment, re-appointment, removal of the Statutory

Auditors, fixation of audit fee and approval for payment for any non-audit services rendered by the Statutory Auditors.

f) Reviewing and monitoring the auditor's independence & performance and effectiveness of audit process.

g) Review the appointment, removal and terms of remuneration of the Internal Auditor.

h) Review on a regular basis the adequacy of internal audit function, the structure of the internal audit department, approval of the internal audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

i) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

j) Discuss with internal auditors any significant findings and follow up thereon.

k) Review with Management, Statutory Auditors and Internal Auditors about the adequacy of internal control systems and related matters.

l) Review of Management letters/ letters of internal control weakness issued by Statutory Auditors/ Internal Auditors.

m) Review the appointment, removal and terms of remuneration payable to the Cost Auditor.

n) Evaluation of internal financial controls and risk management systems.

o) Review and approval of Related Party Transactions.

p) Reviewing the functioning of the Whistle Blower mechanism.

q) Review compliance of provisions of Insider Trading Regulations and verify that systems for internal control are adequate and operating effectively, at-least once in a financial year.

In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Act and Listing Regulations.

During FY 2022-23, Audit Committee met six times on the following dates:

1. May 24, 2022
2. July 29, 2022
3. November 14, 2022
4. January 10, 2023
5. January 24, 2023 &
6. March 31, 2023

Requisite quorum was present for all the meetings.

Composition of Audit Committee and attendance details of Members for the financial year ended March 31, 2023 are given below:

Name of the Members	Category	No. of meetings held during their tenure	No. of meetings attended
Sridhar S (Chairperson)	ID	6	6
Dr Kausalya Santhanam	ID	6	6
Bharat Shah	ID	6	6
Homi Khusrokhan	ID	6	6
Deepak Vaidya*	NED	3	3

**Deepak Vaidya stepped down as a Director of the Company effective November 14, 2022*

b. Nomination and Remuneration Committee

Terms of reference of the Committee

Terms of reference of the NRC covers areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations.

Terms of reference of the NRC, inter alia, includes the following:

a) To periodically review the size and composition of the Board to ensure that it is optimally structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole.

b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

c) To formulate a criteria for evaluation of performance of all Independent Directors and the Board.

d) Committee to carry out evaluation of every Director's performance.

e) Committee to determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

f) To formulate criteria and evaluate the performance of the statutory committees of the Board viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and any other statutory committee as duly constituted by the Board of Directors.

g) To devise a policy on Board diversity and assist the Board in ensuring Board nomination process addresses diversity of gender, knowledge, experience and perspective.

h) Identify persons who are qualified to become Directors and who may be appointed as Senior Management Personnel (SMP), in accordance with the criteria laid down in the policy.

i) To recommend to the Board the appointment and removal of Directors and SMP, in accordance with the criteria laid down in the policy.

j) To recommend to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel (KMP) and SMP.

k) To recommend to the Board, all remuneration, in whatever form, payable to Executive Directors, KMP and SMP.

l) To establish and review plans relating to orderly succession for appointment of the Board, KMP and SMP.

m) To assist the Board of Directors in the Board's overall responsibilities relating to Employee Stock Options Plans, including the drafting and administration of the Company's ESOP and other incentive plans and the interpretation and adoption of rules for the operation thereof.

n) To carry out any other function as may be mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

During FY 2022-23, NRC met five times on the following dates:

1. May 24, 2022
2. July 29, 2022
3. September 19, 2022
4. November 14, 2022 &
5. January 24, 2023

Requisite quorum was present for all the meetings.

Composition of NRC and attendance details of Members for the financial year ended March 31, 2023 are given below:

Name of the Members	Category	No. of meetings held during their tenure	No. of meetings attended
Bharat Shah (Chairperson)	ID	5	5
Dr Kausalya Santhanam	ID	5	5
Sridhar S	ID	5	5
Homi Khusrokhan	ID	5	5
Deepak Vaidya*	NED	4	4

**Mr. Deepak Vaidya stepped down as a Director of the Company effective November 14, 2022*

c. Stakeholders' Relationship (SHR) Committee

Terms of reference of the Committee

Terms of reference of the SHR Committee covers areas mentioned in Section 178 (6) of the Act and Regulation 20 read with Part D (B) of Schedule II of the Listing Regulations.

Terms of reference of the SHR Committee, inter alia, are as follows:

a) To consider and ensure resolution of the grievances of the security holders of the Company including complaints relating to transfer/ transmission of shares, issue of new/ duplicate share certificates, non-receipt of annual reports, non-receipt of declared dividends, etc.

b) To monitor investor grievances received by the Company from SEBI, BSE, NSE or through Scores and to ensure its timely and speedy resolution in consultation with the RTA/ Company Secretary.

c) Review of measures taken for effective exercise of voting rights by security holders.

d) To oversee and review the performance of Registrar & Share Transfer Agent and recommend measures for improvements in the quality of investors services.

e) Review of various measures and initiatives taken by the Company relating to unclaimed dividends for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

f) To review compliance relating to all Securities including Dividend payments, transfer of unclaimed amounts or shares to Investor Education and Protection Fund.

g) Formulation of Policies and Procedures as mandated by SEBI relating to stakeholder services from time to time for matters relating to security holders and related governance.

In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Act and Listing Regulations.

Company Secretary of the Company is the designated Compliance Officer for the purpose of compliance in relation to the Listing Regulations.

During FY 2022-23, SHR Committee met four times on the following dates:

1. May 24, 2022
2. July 29, 2022
3. November 14, 2022 &
4. January 24, 2023

Requisite quorum was present for all the meetings.

Composition of SHR Committee and attendance details of Members for the financial year ended March 31, 2023 are given below:

Name of the Members	Category	No. of meetings held during their tenure	No. of meetings attended
Bharat Shah* (Chairperson)	ID	4	4
Sridhar S	ID	4	4
Arun Kumar	ED	4	4
Deepak Vaidya	NED	3	3

**Bharat Shah was appointed as Chairperson effective November 15, 2022, consequent to resignation of Deepak Vaidya who was the Chairman of the NRC till November 14, 2022.*

d. Corporate Social Responsibility (CSR) Committee

Terms of reference of the Committee

Terms of Reference of the CSR Committee, inter alia, includes the following:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company in areas/ subject as specified in Schedule VII of the Act and shall monitor the CSR Policy from time to time.

b) Formulate and recommend to the Board an Annual Action Plan for the identified CSR Projects and recommend the amount of expenditure to be incurred on such activities.

c) To ensure the disbursed funds are utilised for the purposes and in the manner approved. In this regard, Chief Financial Officer of the Company to provide confirmation to the Committee.

d) Ensure that the Company is taking appropriate measures to undertake and implement CSR projects successfully.

e) The Committee, at its sole authority, may seek the advice of outside experts or consultants at the Company's expense where judged necessary, to discharge its duties and responsibilities.

f) The Committee to seek services of Independent Agency to carry out Impact Assessment of CSR Projects as may be required.

At Strides, CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education and Employability.

A detailed report on the CSR activities undertaken during the year, together with its monitoring and spending is annexed to the Board's Report.

During FY 2022-23, CSR Committee met three times on the following dates:

1. May 24, 2022
2. July 29, 2022 &
3. January 24, 2023

Requisite quorum was present for all the meetings.

Composition of the CSR Committee and attendance details of Members for the financial year ended March 31, 2023 are given below:

Name of the Members	Category	No. of meetings held during their tenure	No. of meetings attended
Dr. Kausalya Santhanam (Chairperson)	ID	3	3
Homi Khusrokhan	ID	3	3
Arun Kumar	ED	3	3
Deepak Vaidya*	NED	2	2

**Deepak Vaidya stepped down as a Director of the Company effective November 14, 2022.*

e. Risk Management Committee (RMC)

Terms of reference of the Committee

Terms of Reference of the Risk Management Committee, inter alia, includes the following:

a) To advise the Board in identification and managing the full range of risks the enterprise faces.

b) Review and approve the Enterprise Risk Management framework, culture, processes and practices of the company on a periodic basis.

c) Monitor and review the exposures of the material risks and assess management preparedness to deal with the risk and associated events.

d) Overseeing internal & external risks faced by the Company including financial, operational, sectoral, sustainability (ESG), information, cyber security risks or any other risks determined by the Committee.

e) Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with business of the Company.

f) Review effectiveness of the risk mitigation plans including adequacy of the system/ processes for the internal controls of the identified risks.

g) Oversee and guide the development and implementation of ERM policies, procedures, guidelines.

h) Advice the Board on all matters related to ERM. Engage other stakeholders in the risk management process when the need is identified. Facilitate communication of ERM information.

i) Keep the Board of Directors informed about the nature and content of the Committee discussions and recommendations, as well as the actions to be taken.

j) Oversee and guide the development and implementation of Business Continuity and Crisis Management and Business Continuity procedures and guidelines.

k) Review and approve the enterprise risk management (ERM) working plan and utilise risk for the enterprise's competitive advantage.

l) To carry out any other functions as prescribed under the Listing Regulations or under any other applicable laws or regulations.

During FY 2022-23, RMC met three times on the following dates:

1. April 5, 2022
2. September 19, 2022 &
3. January 12, 2023

Requisite quorum was present for all the meetings.

Composition of RMC and attendance details of Members for the financial year ended March 31, 2023 are given below:

Name of the Members	Category	No. of meetings held during their tenure	No. of meetings attended
Homi Khusrokhan (Chairperson)	ID	3	3
Dr. Kausalya Santhanam*	ID	1	1
Sridhar S	ID	3	3
Bharat Shah	ID	3	3
Deepak Vaidya**	NED	2	2
Badree Komandur	ED	3	3
Christoph Funke	MoM	3	2
Umesh Kale	MoM	3	3
Sormistha Ghosh	MoM	3	3
Anjani Kumar***	MoM	3	3

MoM – Members of Management

**Dr Kausalya Santhanam was appointed as a Member to the Committee effective November 15, 2022*

***Deepak Vaidya stepped down as a Director of the Company effective November 14, 2022 and ceased to be a member of the Committee effective November 14, 2022.*

****Anjani Kumar ceased to be the Member of the Committee from March 31, 2023*

4. Shareholders' Governance and Communication

Company regularly communicates to its stakeholders through multiple channels of communications such as results announcements, Annual Report, media releases and hosting information on Company's website.

4.1 Investors/ Shareholders Correspondence

Company has appointed KFin Technologies Limited (Formerly, KFin Technologies Private Limited) **(KFintech/ RTA)**, Hyderabad, as its Registrar and Share Transfer Agents.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com for any queries that they may have.

Company's designated email id for investor complaints is investors@strides.com.

Coordinates of the Company and RTA is provided at the end of this Report.

4.2 Means of Communication

a) Quarterly, Half yearly and Annual financial results

Quarterly, Half Yearly and Annual Results of the Company as approved by the Board of Directors are submitted to the Stock Exchanges where the Company's shares are listed.

Further, Quarterly, Half Yearly and Annual Results of the Company are also published in 'Financial Express', having nation-wide circulation and 'Lokmat', local vernacular daily where Registered Office of the Company is situated.

These are also disseminated through Company's PR Agency and made available on the Company's website at https://strides.com/investor-financial.html.

Audio and transcript of the Earnings Call held with investors/ analysts relating to the financials/ quarterly results of the Company are published on the website of the Company and intimated to the Stock Exchanges as prescribed under the Listing Regulations.

b) Notice to Shareholders regarding transfer of shares in respect of the Dividends which has remained unpaid/ unclaimed for seven consecutive years to Investors Education and Protection Fund is sent by Registered Post to the address registered with the Company/ RTA.

Simultaneously the notice is also published in 'Business Standard', a leading newspaper in English and 'Navshakti', a local vernacular daily having wide circulation where Registered Office of the Company is situated.

c) News releases, presentations, etc.:

Company has established systems and procedures to disseminate relevant information to its stakeholders including Shareholders, analysts, suppliers, customers, employees and the society at large.

Regular updates about the Company in the form of news releases, stock exchange intimations, investors presentations etc., are displayed in the Company's website.

d) Compliance Filings with Stock Exchanges

All periodical compliance filings including shareholding pattern, corporate governance report, media releases, among others are filed electronically on NSE Electronic Application Processing System (NEAPS)/ Digital Exchange portal and BSE Corporate Compliance & Listing Centre.

e) SEBI Complaints Redress System (SCORES)

Investors' complaints are also being processed through centralised web-based complaint redressal system of SEBI (SCORES). SCORES enables speedy and effective resolution of complaints filed therein.

f) Website

Primary source of information regarding operations of the Company is the corporate website www.strides.com.

It contains a separate dedicated section for 'Investors' and 'Media' where the latest and updated information about financials/ activities of the Company are available.

Website of the Company also displays official news releases and presentations made to the institutional investors and analysts from time to time.

g) Annual report

Company's Annual Report containing, inter alia, Board's Report, Corporate Governance Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Audited Annual Accounts, Consolidated Financial Statements, Auditors' Report and other important information is emailed to the Shareholders who have registered their email IDs with the Company/ Depositories.

Annual Report is also mailed to Shareholders who specifically request for hard copy of the Report.

Strides' Annual Report is also available on the Company's website at https://strides.com/investor-financial.html.

Green Initiative

Ministry of Corporate Affairs **(MCA)**, Government of India, through its Circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 **(Circulars)**, respectively has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognising the spirit of aforesaid mentioned Circulars issued by MCA, Strides proposes to send documents like Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report and other documents to the e-mail address provided by you with the relevant depositories.

We request you to update your mail address with your depository participants to ensure that the Annual Report and other documents reach you on your preferred mail.

4.3. General Body Meetings and Postal Ballot

a. Annual General Meeting

The Thirty First Annual General Meeting (AGM) of the Company was held on Friday, September 09, 2022 at 12:30 hours IST through Video Conferencing/ Other Audio - Visual Means.

Meeting was attended by all the Directors of the Company.

b. General Meetings and Tribunal Convened Meetings held during the preceding three years

AGM/ EGM	Date/ Time	Venue	Special Resolutions passed
Tribunal convened Meeting	February 20, 2020 at 12:00 Noon	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	Merger of the following three Direct/ Indirect Wholly owned Subsidiaries of Strides Pharma Science with itself. - Strides Emerging Markets Limited - Arrow Remedies Private Limited - Fagris Medica Private Limited
AGM for FY end March 31, 2020	August 20, 2020 at 15:00 hours IST	Through video conferencing/ other audio-visual means Deemed Venue: Registered office of the Company at Vashi Navi Mumbai	1) Appointment of Dr. R Ananthanarayanan as a Managing Director & Chief Executive Officer of the Company; & 2) Re-appointment of Mr. Badree Komandur as an Executive Director - Finance & Group CFO of the Company.
AGM for FY end March 31, 2021	September 03, 2021 at 12:30 hours IST		NA
Extraordinary General Meeting	April 7, 2022 at 14:30 hours IST		1) Re-appointment of Mr. Homi Rustam Khusrokhan (DIN: 00005085) as an Independent Director of the Company; & 2) Issuance of Equity Warrants on Preferential Basis.
AGM for FY end March 31, 2022	September 09, 2022 at 12:30 hours IST		NA
Extraordinary General Meeting	February 6, 2023 at 12:30 hours IST		Security/ Corporate Guarantee to be continued for the borrowing of Stelis Biopharma Limited under Section 185 of Companies Act 2013.

c. Postal Ballot/ E-voting

During FY 2022-23, Company conducted two Postal Ballots to seek approval of Shareholders as under:

#	Date of Postal Ballot Notice	Description of the Special Resolution(s)	Details of the Scrutiniser
1.	May 24, 2022	Appointment of Mr. Arun Kumar (DIN: 00084845) as Executive Chairperson & Managing Director of the Company.	Mr. Binoy Chacko (ICSI Membership No. FCS: 4792 and CP: 4221), Partner of M/s. Joseph and Chacko LLP, Company Secretaries
2.	January 24, 2023	Approval of remuneration payable to Mr. Badree Komandur (DIN: 07803242) as Whole-time Director designated as Executive Director – Finance & Group CFO.	Mr. Preetham Hebbar (ICSI Membership No. ACS: 31909 and CP: 21431), Practicing Company Secretary of M/s. Preetham Hebbar & Co., Company Secretaries

d. Details of e-voting on the aforesaid resolution(s) are provided hereunder

Description of the Resolution(s)	Approval of Shareholders deemed to be received on	No. of votes polled	Votes cast in favor (% to total votes polled)	Votes cast against (% to total votes polled)
Appointment of Mr. Arun Kumar (DIN: 00084845) as Executive Chairperson & Managing Director of the Company.	July 6, 2022	5,74,88,476	88.73	11.27
Approval of remuneration payable to Mr. Badree Komandur (DIN: 07803242) as Whole-time Director designated as Executive Director – Finance & Group CFO.	March 22, 2023	5,82,72,299	90.89	9.11

Both the Special Resolutions were passed with requisite majority.

e. Procedure adopted by the Company for Postal Ballots during FY 2022-23

Postal Ballots were carried out as per the provisions of Section 110 and other applicable provisions of the Act, read with Rules framed thereunder, Regulation 44 of Listing Regulations, as amended and General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/ 2020 dated April 13, 2020, General Circular No. 22/ 2020 dated June 15, 2020, General Circular No. 33/ 2020 dated September 28, 2020, General Circular No. 39/ 2020 dated December 31, 2020, General Circular No. 10/ 2021 dated June 23, 2021, General Circular No. 20/ 2021 dated December 8, 2021, General Circular No. 3/ 2022 dated May 5, 2022 and General Circular No. 11/ 2022 dated December 28, 2022 **(General Circulars)** issued by the Ministry of Corporate Affairs, from time to time.

In terms of the MCA General Circulars, Company emailed the Postal Ballot Notice, together with the documents accompanying the same, to all its Shareholders who have registered their email addresses with the Company or Depository/ Depository Participants and whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) and as available with the Company as on the cut-off date.

A copy of the Postal Ballot was also made available on the website of the Company, websites of the Stock Exchanges on which the Equity Shares of the Company are listed and website of RTA.

Company also published notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and Listing Regulations.

In compliance with Section 108 and 110 and other applicable provisions of the Act read with related Rules, the Company provided electronic voting (e-voting) facility to all its Shareholders. Company engaged the services of KFintech for the purpose of providing e-voting facility to all its Shareholders.

Voting rights were reckoned on the number of shares registered as on the cut-off date. Communication of assent/ dissent of Shareholders was obtained through remote e-voting system. Shareholders were given a window of 30 days for e-voting on the matters transacted.

Scrutiniser, appointed by the Board for Postal Ballot, submits his report to the Chairperson/ Company Secretary, after the completion of scrutiny, and the results of the voting by e-voting are then announced by the Chairperson/ authorised officer within two working days from the conclusion of the voting period.

Results of e-voting is communicated to the stock exchanges within the prescribed period. Results of e-voting are also displayed on the Notice Board at the Registered Office of the Company for a period of three days and on Company's website and RTA's website.

Resolutions, if approved by the Shareholders by means of e-voting is deemed to have been passed at a General Meeting of the Shareholders and the last date of the e-voting shall be the date on which the Resolutions shall be deemed to have been passed, if approved by requisite majority.

f. Details of special resolution proposed to be conducted through postal ballot

It is proposed to seek Shareholders' approval for holding office/ place of profit by Mr. Aditya Arun Kumar including remuneration payable to him by way of Postal Ballot during the last week of June 2023, by way of Ordinary resolution.

We expect results of Ballot to be available by mid-week of July 2023.

4.4 General Shareholders Information

Annual General Meeting (AGM) – FY 2022-23

Day and Date	Monday, August 28, 2023
Time	12:30 hours IST
Venue	By Video conference/ other audio-visual means.
Time period for remote e-voting	• Starts from 09:00 hours IST on Wednesday, August 23, 2023; and • Ends on Sunday, August 27, 2023 at 17:00 hours IST.

4.5 Financial Reporting Calendar

Financial year of the Company commences from 1st day of April and ends on 31st March of the next year.

Financial reporting calendar for FY 2022-23 is as under:

Quarter ending	Release of Results
For the quarter ending June 30, 2023	July/ August 2023
For the quarter and half year ending September 30, 2023	October/ November 2023
For the quarter and nine months ending December 31, 2023	January/ February 2024
For the year ending March 31, 2024	May 2024

In line with the Listing Regulations, Company shall disseminate relevant intimations/ disclosures to the Stock Exchanges before and after the meetings.

4.6. Dividend

Board of Directors of the Company in their meeting held on May 25, 2023 have recommended a Dividend of ₹1.50/- per equity share of face value of ₹10/- each for the financial year ended March 31, 2023, subject to approval of Shareholders of the Company at the ensuing AGM.

Dividend, if approved by Shareholders, will be paid within 30 days from the date of approval.

Payment of Dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Demand drafts will be dispatched to the registered address of the Shareholders who have not updated their bank account details.

Further, pursuant to the requirements of the Income Tax Act, 1961, Company will be required to withhold taxes as per the prescribed rates on the dividend amount paid to its Shareholders. TDS/ withholding tax rate would vary depending on the residential status of the Shareholder and documents submitted by them with the Company/ RTA. Declaration forms in this regard are made available on the Company's website https://www.strides.com/shareholder_services.html.

Shareholders are also requested to register and update their bank details with the Company/ RTA/ Depository Participants, as the case may be, to enable credit of dividend to their bank accounts directly. Further, Shareholders holding shares in demat mode are also requested to update/ register their email address and mobile numbers with their depository participants as part of KYC updations.

Further, to prevent fraudulent encashment of demand drafts, Shareholders are requested to provide their bank account details (if not provided earlier) to the Company/ its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the demand drafts.

4.7 Unclaimed Shares Suspense Account

Pursuant to Regulation 39(4) of Listing Regulations read with Schedule VI of the said Regulations, Company has dematerialised the shares which had returned undelivered by postal authorities and lying unclaimed with the Company.

The dematerialised shares are held in the Company's 'Unclaimed Suspense Account' (Suspense Account) opened with Kotak Securities Limited. Voting rights of these shares remain frozen till the rightful owner claims these shares.

Further, corporate benefits accruing on these shares, viz., bonus shares, split etc., shall also be credited to the Suspense Account. Upon completion of a period of seven years, the shares along with corporate benefits shall be transferred by the Company to Investor Education and Protection Fund (IEPF), in accordance with the above regulations.

Details of shares held in the Suspense Account for the period under review is as under:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1,048	66,701
Shareholders who approached the Company for transfer of shares from suspense account during the year	8	1,307
Shareholders to whom shares were transferred from the suspense account during the year	8	1,307
Aggregate number of Shareholders and shares which were transferred to IEPF as per the MCA Circular	-	-
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	1,040	65,394

4.8 Unpaid/ Unclaimed Dividends

Provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time, mandates Companies to transfer dividend that has remained unpaid/ unclaimed for a period of seven years to Investor Education and Protection Fund (IEPF). Further, IEPF Rules mandate that shares on which dividend has not been claimed/ encashed for seven consecutive years or more be transferred to IEPF.

In accordance with the said IEPF Rules and its amendments, Company has sent reminders to respective Shareholders informing them to claim their unclaimed dividends and shares before it is transferred to IEPF. Transfer of Dividend/ Shares of Shareholders who responded to Company's correspondence was facilitated.

Company has appointed Ms. Manjula Ramamurthy, Company Secretary as the Nodal Officer of the Company under the provisions of IEPF, the details of which are available on the website of the Company https://www.strides.com/investor-iepf.html.

a. Transfer of Dividend and Shares to IEPF during FY 2022-23

Details of transfer of Dividend & Shares to IEPF during FY 2022-23 is as under:

FY	Type of Dividend	Dividend declared on	Amount transferred to IEPF (in ₹)	No. of shares transferred to IEPF
2014-15	Final	July 30, 2015	3,55,764.00	7,472
2015-16*	Interim	July 30, 2015	3,73,371.00	12,481
2015-16**	NA	NA	3,25,909.86	-
TOTAL			**10,55,044.86**	**19,953**

** Interim dividend declared by erstwhile Shasun Pharmaceuticals Limited, which merged with the Company effective November 19, 2015.*

*** Fractional shares account – arising on account of sale of fractional shares pursuant to merger of erstwhile Shasun Pharmaceuticals with Strides.*

Shareholders may note that no claim shall lie in respect of the above with the Company.

They may claim the unclaimed dividend and corresponding shares transferred to IEPF by following the procedure prescribed in the IEPF Rules at https://www.iepf.gov.in/IEPF/corporates.html.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

b. Upcoming transfers to IEPF

Details of upcoming transfers to IEPF is provided hereunder:

Financial Year Ended	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
March 31, 2016	Final	40%	July 29, 2016	Sept 3, 2023
March 31, 2017	Final	45%	Sept 15, 2017	Oct 21, 2024
March 31, 2018	Final	20%	Sept 24, 2018	Oct 30, 2025
March 31, 2019	Final	30%	July 30, 2019	Sept 4, 2026
March 31, 2020	Interim	120%	July 29, 2019	Sept 3, 2026
March 31, 2020	Final	20%	Aug 20, 2020	Sept 25, 2027
March 31, 2021	Final	25%	Sept 3, 2021	Oct 9, 2028

Company has uploaded details of unpaid/ unclaimed amounts lying with the Company and shares that are transferred to IEPF as at March 31, 2023 on the Company's website https://www.strides.com/investor-iepf.html.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

4.9 Share transfer system

KFin Technologies Limited **(KFin)** is the Registrar and Share Transfer Agent **(RTA)** of the Company. Shareholders may reach out to the Company/ RTA for their queries and activities relating to Shares.

Prohibition of physical transfer of shares

Shareholders to note that effective April 1, 2019, SEBI has barred physical transfer of shares of listed companies and mandated transfers only through demat mode.

Shareholders are not barred from holding shares in physical form. However, for ease of transactions it is recommended that they dematerialise their shares.

SEBI has mandated the requisite process in this matter.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

Freezing of Folios

SEBI vide their Circular dated November 3, 2021, December 14, 2021 and March 16, 2023 has mandated furnishing of PAN, email address, mobile number, bank account details and nomination by holders of physical securities. Further, SEBI is also mandating shareholders to link their PAN with their Aadhar number.

Accordingly, RTA/ Company shall consider service requests such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc., only upon registration of PAN, Bank details and Nomination.

In case a shareholder of physical securities fails to furnish the above including linking of Aadhar, RTA is obligated to freeze such folios effective October 1, 2023 and the securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents.

List of documents required to be furnished by physical Shareholders is provided below:

Particulars	Form
Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
Update of signature of securities holder	Form ISR-2
Declaration to opt out Nomination	Form ISR-3
Form for requesting issue of Duplicate Certificate for shares held in physical form	Form ISR-4
Request for transmission of Securities by Nominee or Legal Heir	Form ISR-5
Nomination form	Form SH-13
Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

The aforesaid forms can be downloaded from the website of the Company and RTA at:

https://www.strides.com/Shareholders_service_request.html and https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd.

Issue of shares in demat mode

As an ongoing measure to enhance ease of dealing in securities by investors, SEBI vide its Circular dated January 25, 2022, has mandated listed companies to issue securities in demat form only, while processing service requests such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc.

In terms of the Circular,

a. Claimant/ Securities Holder shall submit their request in Form ISR-4 (hosted on website of Company and RTA) along with requisite documents and details;

b. RTA shall verify the request and documents submitted and thereafter issue a 'Letter of Confirmation' **(LoC)** in lieu of physical securities certificates to the Claimant/ Securities Holder within 30 days of receipt of such request;

c. LoC shall be valid for a period of 120 days from the date of its issuance;

d. Claimant/ Securities Holder to make a request to the Depository Participant for dematerialising the said securities;

e. In case the Claimant/ Securities Holder fails to submit the demat request within the prescribed period, such shares shall be credited to the Suspense Escrow Demat Account opened with Kotak Securities Limited by the Company.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

4.10 Details of Investor complaints received and resolved during the financial year ended March 31, 2023 are given below:

#	Particulars	No. of complaints
1	Investor complaints pending at the beginning of the year	-
2	Investor complaints received during the year	36
3	Investor complaints disposed of during the year	36
4	Investor complaints remaining unresolved at the end of the year	-

5. Listing on Stock Exchanges and Stock Codes

The Company has paid listing fees to both the stock exchanges and there is no outstanding payment as on date of this report. Details of the scrip is as under:

Equity shares of the Company are listed on:

BSE Limited Stock Code: 532531	National Stock Exchange of India Limited Stock Code: STAR
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

International Securities Identification Number (ISIN) allotted to the equity shares, warrants and Non-Convertible Debentures (unlisted) (NCD) under the Depository System are:

1) Listed equity shares: INE939A01011

2) Equity Warrants: INE939A13016

3) NCD: INE939A07026 and INE939A07018

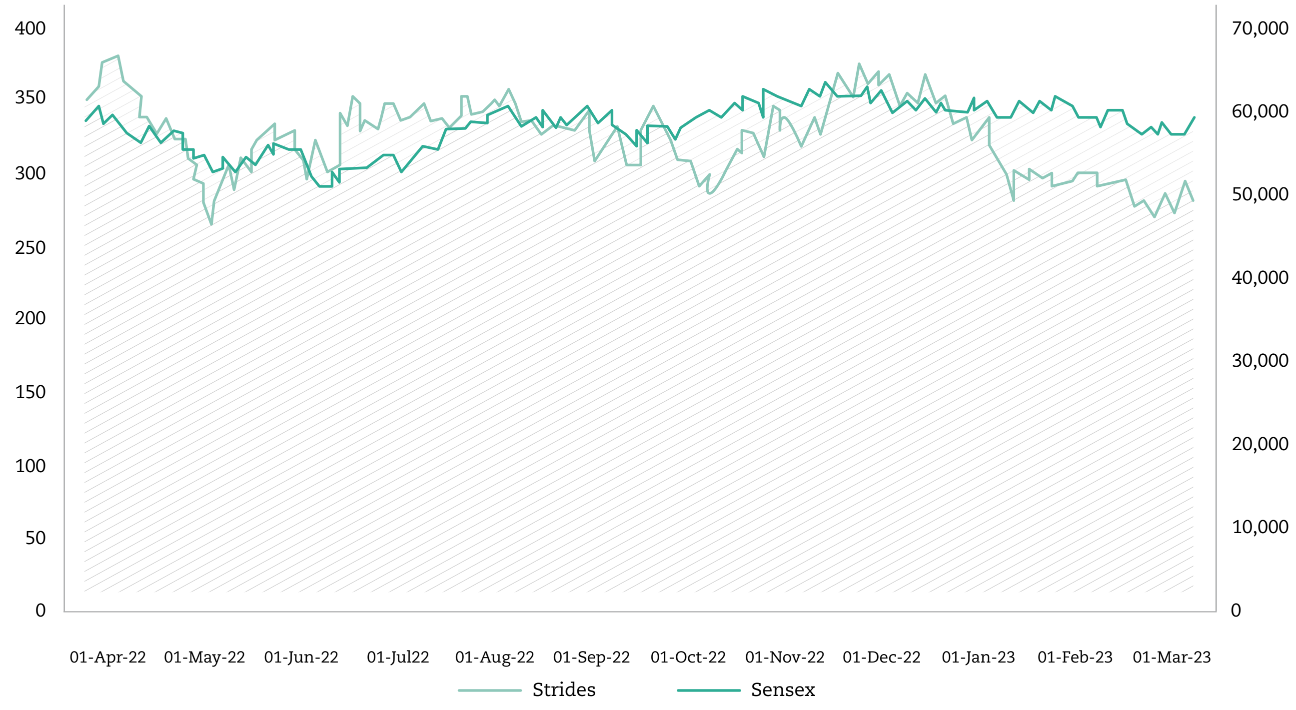
6. Market Price Data

Market price data of the Equity Shares of the Company at BSE and NSE for the period under review is as under:

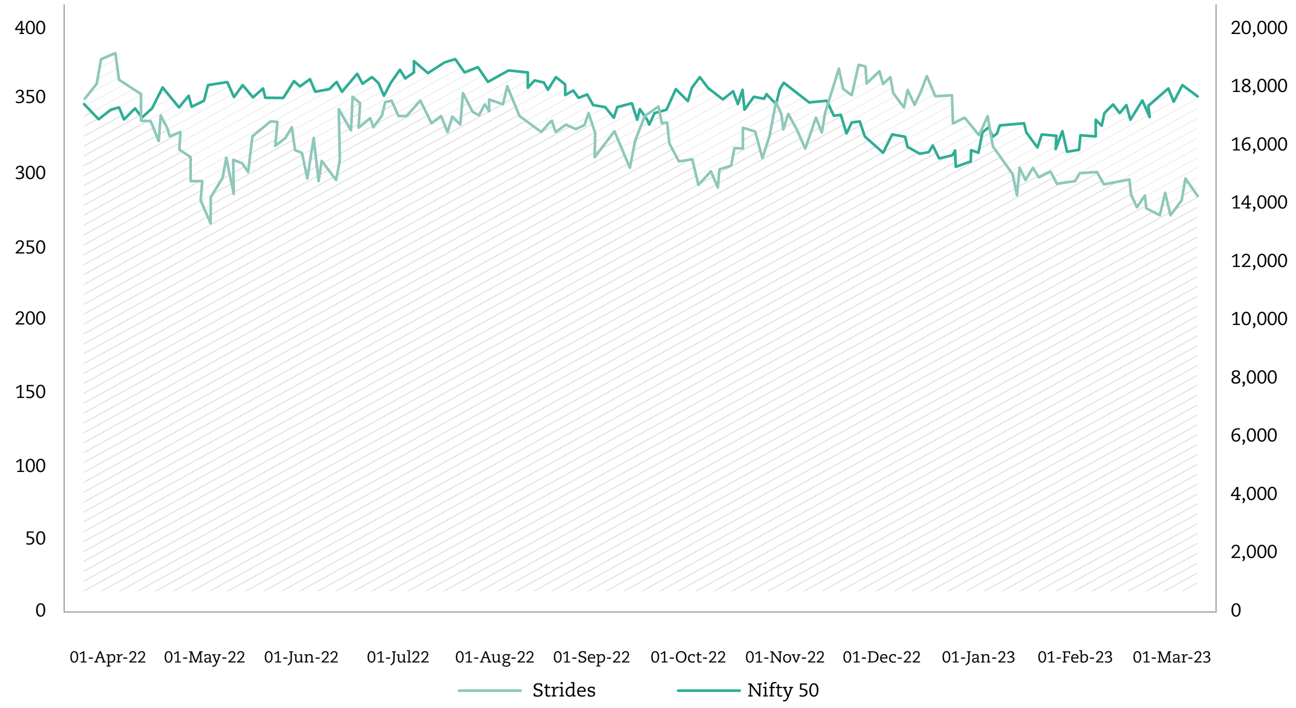
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2022	388.60	322.00	8,08,877	388.95	322.05	1,35,60,245
May, 2022	335.45	263.45	9,63,905	335.70	263.35	1,68,00,552
June, 2022	358.00	285.95	12,40,056	358.20	285.60	3,31,07,744
July, 2022	361.55	323.05	5,40,097	361.75	322.65	93,75,164
August, 2022	364.70	328.55	5,12,328	365.00	328.50	80,02,903
September, 2022	340.00	303.65	12,46,665	341.00	303.50	62,53,860
October, 2022	348.40	287.30	5,26,928	348.60	287.00	70,19,686
November, 2022	357.00	309.25	8,70,634	357.00	310.00	1,08,28,739
December, 2022	392.20	336.95	11,37,947	392.00	336.50	1,84,11,109
January, 2023	372.90	292.50	7,81,143	372.90	292.40	70,23,873
February, 2023	309.80	281.45	3,97,531	309.85	281.00	51,24,671
March, 2023	301.15	268.40	8,68,570	301.15	268.15	56,97,067

7. Performance of Strides Pharma Science Limited Share Price to Broad Based Index such as BSE Sensex and NSE Nifty are given below

Strides vs Sensex



Strides vs Nifty 50



8. Distribution of Shareholding as at March 31, 2023

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount	% of Amount
1 – 5,000	1,14,511	94.70	82,86,778	8,28,67,780	9.18
5,001 – 10,000	3,383	2.80	25,52,598	2,55,25,980	2.83
10,001 – 20,000	1,573	1.30	22,86,140	2,28,61,400	2.53
20,001 – 30,000	517	0.43	13,02,649	1,30,26,490	1.44
30,001 – 40,000	214	0.18	7,61,103	76,11,030	0.84
40,001 – 50,000	155	0.13	7,22,690	72,26,900	0.80
50,001 – 1,00,000	236	0.20	16,82,859	1,68,28,590	1.86
1,00,001 and above	327	0.27	7,27,07,887	72,70,78,870	80.52
TOTAL	**1,20,916**	**100.00**	**9,03,02,704**	**90,30,27,040**	**100.00**

9. Shareholding Pattern as at March 31, 2023

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	2,55,32,593	28.27
2.	Mutual Funds	1,00,63,213	11.14
3.	Banks, Indian Financial Institutions	9,025	0.01
4.	Insurance companies	47,00,053	5.20
5.	Sovereign Wealth funds	3,50,391	0.40
6.	Bodies Corporate	44,94,623	4.98
7.	NBFCs/ Alternate Investment Funds	13,93,628	1.54
8.	Foreign Institutional Investors/ Foreign Portfolio Investors	1,70,21,292	18.85
9.	Non-Resident Indians/ Foreign Nationals/ Foreign Companies	24,96,257	2.76
10.	Others (including Indian Public, Trust etc.,)	2,42,41,629	26.85
	TOTAL	**9,03,02,704**	**100.00**

10. Outstanding Warrants, Conversion Date, Impact on Equity and Details of Utilisation of Funds

Pursuant to approval accorded by Shareholders of the Company at the Extraordinary General Meeting held on April 7, 2022, Company allotted 2 Million Equity Warrants on April 26, 2022, on a preferential basis to M/s. Karuna Business Solutions LLP (Karuna), a Promoter Group Company, at a price of ₹442/- per Equity Warrant.

The said allotment is in compliance with the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulations.

Karuna has a right to apply for and get allotted, within a period of 18 months from the date of allotment of Warrants, in one or more tranches, One Equity Share of face value of ₹10/- each for each Warrant held.

Subscription

Karuna has paid ₹110.50/- per warrant as initial subscription amount i.e., 25% of the issue price aggregating to ₹221 Million during April 2022. Balance 75% of Warrant issue price shall be payable by Karuna at the time of conversion into Equity Shares.

Conversions

In September 2022, 4,52,490 Warrants of Karuna were converted into Equity Shares. As at the date of this report, 15,47,510 Warrants are outstanding.

Utilisation

During FY 2022-23, Company raised ~₹371 Million from issuance and conversion of Warrants. The Company has fully utilised the amounts towards capital resources and operations.

In terms of Regulation 32 of SEBI Listing Regulations, there was no deviation or variation in the use of proceeds raised through issue of Equity Warrants on a preferential basis, from the object as stated in the explanatory statement to the Notice of Extraordinary General Meeting held on April 7, 2022.

As at March 31, 2023, promoters' shareholding in the Company is 28.27%.

Assuming full conversion of outstanding warrants as at March 31, 2023, promoter's shareholding, shall move from 28.27% to 29.48%.

Shareholding pattern of the Company as at March 31, 2023 on a fully diluted basis is as under:

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	2,70,80,103	29.48
2.	Mutual Funds	1,00,63,213	10.96
3.	Banks, Indian Financial Institutions	9,025	0.01
4.	Insurance companies	47,00,053	5.12
5.	Sovereign Wealth funds	3,50,391	0.38
6.	Bodies Corporate	44,94,623	4.89
7.	NBFCs/ Alternate Investment Funds	13,93,628	1.52
8.	Foreign Institutional Investors/ Foreign Portfolio Investors	1,70,21,292	18.53
9.	Non-Resident Indians/ Foreign Nationals/ Foreign Companies	24,96,257	2.72
10.	Others (including Indian Public, Trust etc)	2,42,41,629	26.39
	TOTAL	**9,18,50,214**	**100.00**

11. Dematerialisation of Shares & Liquidity

Company's shares are traded compulsorily in electronic form. We have established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the RTA.

As at March 31, 2023, 99.88% of the paid-up share capital of the Company representing 9,01,94,645 shares has been dematerialised and balance 0.12% representing 1,08,059 shares of the Company is in physical form.

Shareholders who continue to hold shares in physical form are advised to dematerialise their shares at the earliest. Further, in line with the various SEBI circulars, Shareholders are also requested to update their PAN and Bank details.

Shareholders may contact the RTA at einward.ris@kfintech.com or the Company at investors@strides.com to understand and initiate the process.

12. Governance of Subsidiary Companies

Company has in place policy for Governance of subsidiaries which is drafted in line with the Listing Regulations.

Policy is available at

https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides_policy_for_governance_of_subsidiaries.pdf.

Minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis.

Details of investments, loans and guarantees, if any, made by subsidiary companies are placed before and reviewed by the Audit Committee of the Company.

12.1 Governance of Material Subsidiaries

Company has formulated policy for determining material subsidiaries and for transacting with Related Parties, which is uploaded on the website of the Company at https://strides.com/pdf/Committees%20of%20the%20Board/2022/policy_for_governance_of_rpt.pdf.

Disclosure requirements pertaining to material unlisted subsidiary companies prescribed under Schedule V of the Listing Regulations, are as under:

#	Name of Material unlisted subsidiary	Date of incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of statutory auditor
1.	Strides Pharma Inc., USA	Nov 6, 2013	New Jersey	BSR & Co. LLP, India	June 2, 2022
2.	Strides Pharma Asia, Singapore	Dec 13, 2011	Singapore	KPMG LLP, Singapore	Oct 27, 2017
3.	Strides Pharma Global, Singapore	Aug 21, 2013	Singapore	KPMG LLP, Singapore	Oct 27, 2017
4.	Strides Arcolab International Limited, UK	Nov 10, 2004	England and Wales	MHA Macintyre Hudson, UK	Sep 8, 2006

13. Reconciliation of Share Capital Audit

Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

Reconciliation of Share Capital Audit Report obtained from a Practicing Company Secretary, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialised form and in the physical form confirms to the issued and paid-up equity share capital of the Company.

14. Certificate(s) from Practicing Company Secretaries (PCS)

a. Secretarial Audit

M/s. Gopalakrishnaraj H. H. & Associates, a firm of Company Secretaries in practice (Certificate of practice no. 4152) is the Secretarial Auditor of the Company.

Secretarial Audit for FY 2022-23, inter alia, included audit of compliance with the Act and the Rules made thereunder, Listing Regulations and applicable Regulations prescribed by SEBI, amongst others.

Secretarial Audit Report does not contain any qualification, observations, reservation or adverse remarks.

The said Report forms part of the Board's Report as an Annexure.

b. Secretarial Compliance Certificate

As per the provisions of the Listing Regulations, Company has obtained the Secretarial Compliance Certificate on an annual basis from a PCS to the effect that all transfers/ transmissions of shares are effected within stipulated time.

The said certificate has also been submitted to the Stock Exchanges within the prescribed timeline.

c. Confirmation on Directors' Non- Disqualification

Secretarial Auditor of the Company has issued a certificate as required under the Listing Regulations confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

The certificate is enclosed as **Annexure CG 2** to this Report.

15. Employee Stock Options

Statement providing detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is annexed to the Board's Report.

16. Consolidated fees paid to Statutory Auditors

Fees payable by the Company and its subsidiaries to the Statutory Auditor i.e., BSR & Co. LLP, Chartered Accountant, and all entities in the network firm/ network entity of which the Statutory Auditor is a part for FY 2022-23, is ₹50.89 Million (excluding applicable taxes and out of pocket expenses).

17. Vigil Mechanism/ Whistle Blower policy

Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company, which is in conformity with the provisions of the Act and Listing Regulations.

The said Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to matters concerning the Company.

The Policy aims to:

- allow and encourage stakeholders to bring to the management's notice concerns about unethical behaviour;
- ensure timely and consistent organisational response;
- build and strengthen a culture of transparency and trust; and
- provide protection against victimisation.

The said Policy also establishes adequate mechanism to enable employees to report instances of leak or suspected leak of unpublished price sensitive information.

Every director/ employee of the Company has been provided access to the Audit Committee Chairperson/ Whistle Officer through email/ correspondence address/ by calling designated toll-free number, should they desire to avail the vigil mechanism.

Audit Committee of the Company oversees implementation of the Whistle Blower Policy. During the year, Company has not received any protected disclosure and none of the personnel of the Company has been denied access to the Audit Committee.

Strides' Whistle Blower Policy is available on the Company's website and can be accessed at https://www.strides.com/pdf/Committees%20of%20the%20Board/2022/strides_whistle_blower_policy_july2022.pdf

18. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY 2022-23

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013 (PoSH Act) and Rules framed thereunder. Strides has adopted a gender-neutral policy.

In terms of the PoSH Act, your Company has also constituted Internal Complaints Committee (ICC) to redress complaints received on sexual harassment. Adequate trainings and awareness programmes against sexual harassment are conducted across the organisation.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY 2022-23 is provided hereunder:

Particulars	Remarks
a. number of complaints filed during FY 2022-23	1
b. number of complaints disposed off during FY 2022-23	1
c. number of complaints pending as on end of FY 2022-23	0

19. Commodity price risk

Company is not exposed to any commodity price risk. Details of the Foreign Exchange Risk and Company's hedging activities forms part of the Notes to the Financial Statements.

20. Declaration by Independent Directors

In accordance with Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, Independent Directors (ID) of the Company have confirmed that they continue to meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Further, all the IDs have confirmed that they have registered with the databank of Independent Directors maintained by Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act.

In the opinion of the Board, ID of the Company possess necessary expertise, integrity and experience in their respective fields and fulfil the conditions specified in the Listing Regulations and are independent of management.

21. Other Affirmations & Disclosures

a) Company has complied with all the mandatory requirements as prescribed under Listing Regulations including regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations and also a few non-mandatory requirements, as prescribed under Regulation 27(1) of the Listing Regulations.

b) There are no materially significant related party transactions with its promoters, directors or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company.

c) Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on matters relating to capital markets during the last 3 years.

No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities relating to the above.

d) **Loans and advances in nature of loans to firms/ companies in which directors are interested:** Details of the same are disclosed in Note No. 37 of Standalone financial statements of the Company.

22. Confirmation about discretionary requirements as specified in Part E of Schedule II of Listing Regulations.

a. Board

Provision: A Non-Executive Chairman of the Board may be entitled to maintain a Chairman's Office at the company's expense and allowed reimbursement of expenses incurred in performance of his duties.

At Strides: Chairman of the Company is an Executive Director and hence this provision is not applicable.

b. Shareholder Rights

Provision: A half-yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each household of shareholders.

At Strides: Company has not adopted the said practice. Quarterly results as approved by the Board along with Press Release issued by the Company is disseminated to the Stock Exchanges where the Company is listed and uploaded on the website of the Company as well.

c. Modified opinion(s) in Audit report

Provision: Listed entity may move towards a regime of financial statements with unmodified audit opinion.

At Strides, Audit Report for FY 2022-23 is Unmodified.

d. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Provision: Listed entity may appoint separate persons to the post of the Chairperson and the Managing Director (MD) or Chief Executive Officer (CEO), such that the Chairperson shall be a Non-Executive Director and not be related to MD / CEO as per the definition of the term 'relative' defined under the Act.

At Strides: Company has not adopted the said provision. Chairperson of the Board is also Managing Director of the Company.

e. Reporting of Internal Auditor

Provision: Internal Auditor may report directly to the Audit Committee

At Strides, this provision is adopted. Internal Auditor of the Company directly reports to the Audit Committee.

23. Code of Conduct

Company has adopted Code of Conduct and Ethics (Code) for all the Directors (including Independent Directors) and Employees (including Senior Management Personnel).

All Board Members and Senior Management Personnel have confirmed compliance with the Code for the period under review.

A declaration to this effect signed by the Managing Director of the Company is attached as **Annexure CG 3** to this Report.

Manufacturing Facilities as at the date of this report

(Finished Dosage Facilities)

#	Locations	Approvals
	India	
1.	Strides Pharma Science Limited KRS Gardens, No.36/7, Suragajakkanahalli, Anekal Taluk, Bengaluru – 562 106.	US FDA, MHRA, TGA, ANVISA, IGJ, NDA, PPB & WHO
2.	Strides Pharma Science Limited PIMS Road, Periyakalapet, Puducherry – 605 014.	USFDA, MHRA, WHO-Geneva, OGYEI & TGA
3.	Strides Pharma Science Limited #19/1,19/3, Chandapura, Anekal Taluk, Bengaluru – 560 099.	TGA
4.	Vivimed Life Sciences Private Limited Plot No. 101 to 108, SIDCO Industrial Estate, Alathur Village, Kancheepuram – 603 110.	US FDA
	Overseas	
5.	Strides Pharma Global Pte Ltd, Singapore 3 Tuas South Avenue 4, Singapore – 637 610.	US FDA, TGA & HSA
6.	Strides Pharma Inc, USA 1 Ram Ridge Road, Chestnut Ridge, NY 10977, USA.	USFDA
7.	Beltapharm SpA, Italy 20095 Cusano ML, Via Stelvio, 66, Italy.	EU-AIFA, Italy
8.	Universal Corporation Limited, Kenya (UCL) Club Road, Past Post Office, Plot No. 13777, P.O. Box 1748 – 00902, Kikuyu Town, Kenya. *(UCL is an Associate company of the Group effective September 30, 2022)*	WHO

Key co-ordinates for easy reference of stakeholders:

1. **Address of Registered office and Corporate office**

   Registered office:

   No. 201, 'Devavrata', Sector 17, Vashi,
   Navi Mumbai - 400 703
   Tel. No.: +91-22-2789 2924
   e-mail id: investors@strides.com

   Corporate Office:

   Strides House, Bilekahalli, Bannerghatta Road,
   Bengaluru – 560 076
   Tel. No.: +91 80 6784 0000/ 0738
   e-mail id: investors@strides.com

2. **Investor Relations/ Corporate Communications Team**

   Mr. Badree Komandur
   Executive Director – Finance & Group CFO
   Tel. No.: +91 80 6784 0747

   Pallavi Panchmatia
   General Manager – Corporate Communication
   Tel. No.: +91 80 6784 0193
   e-mail id: pallavi.panchmatia@strides.com

   PR Consultancy

   Fortuna PR
   K Srinivas Reddy: +91 90005 27213
   e-mail id: srinivas@fortunapr.com
   Boni Mukherjee: +91 96186 82208
   e-mail id: boni@fortunapr.com

3. **Compliance officer under the Listing Regulations and Nodal Officer under IEPF**

   Ms. Manjula Ramamurthy
   Company Secretary
   Tel. No.: +91 80 6784 0734
   Fax No.: +91 80 6784 0700
   e-mail id: manjula.r@strides.com

4. **Registrar and Transfer Agent**

   KFin Technologies Limited,
   (Formerly, KFin Technologies Private Limited),
   Selenium Tower B, Plot No. 31 & 32, Financial District,
   Nanakramguda, Serilingampally Mandal,
   Hyderabad – 500 032
   Toll Free No.: 1- 800-309-4001
   e-mail id: einward.ris@kfintech.com
   Website: https://www.kfintech.com/
   https://ris.kfintech.com/

   Contact Persons:

   Ms. Rajitha C, Deputy Vice-President
   Mr. Mohan Kumar A, Manager

List of Corporate Policies and weblink for the same

Particulars	Website Details/ links
Board Diversity Policy	https://strides.com/pdf/Committees%20of%20the%20Board/2020/board_diversity_policy.pdf
Dividend Distribution Policy	https://strides.com/pdf/Committees%20of%20the%20Board/2020/dividend_distribution_policy.pdf
Archival Policy	https://strides.com/pdf/Committees%20of%20the%20Board/2020/policy_for_preservation_of_documents.pdf
Policy for determination of Materiality of Events & Information	https://strides.com/pdf/Committees%20of%20the%20Board/2022/determination_of_materiality_of_events_and_information.pdf
Strides' Code of Conduct	https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides'_code_of_conduct_july_2022.pdf
Familiarisation Programmes for NED	https://strides.com/pdf/Committees%20of%20the%20Board/2023/strides'_familiarisation_programme_for_neds.pdf
Remuneration policy of Directors, KMP & Sr. Mgt	https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides'nrc_policy_July_2022.pdf
Policy of Related Party Transactions	https://strides.com/pdf/Committees%20of%20the%20Board/2022/policy_for_governance_of_rpt.pdf
Policy for Governance of Subsidiaries	https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides_policy_for_governance_of_subsidiaries.pdf
Whistle Blower policy	http://strides.com/pdf/Committees%20of%20the%20Board/2022/strides_whistle_blower_policy_july2022.pdf
Code of practices and procedure for Fair disclosures of UPSI	https://strides.com/pdf/Committees%20of%20the%20Board/2021/strides_code_of_fair_disclosure.pdf
Risk Management policy	https://strides.com/pdf/Committees%20of%20the%20Board/2020/strides_risk_management_policy_may_2020.pdf
Corporate Social Responsibility Policy	https://strides.com/pdf/Committees%20of%20the%20Board/2022/csr_policy.pdf

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 25, 2023
Place: Bengaluru

Annexure CG 1

Profile of Directors as at March 31, 2023

Sl. No.	Name of the Director and Director Identification Number (DIN)	Designation	Date of initial appointment	Effective Date of reappointment in current designation	Term of Directorship	Total Number of Directorships (incl. Strides)	Number of Chairmanship in Committees of the Board	Number of Membership in Committees of the Board	Direct Shareholding in the Company as at March 31, 2023	Directorship and designation in other listed companies	Area of Expertise
1	Arun Kumar DIN: 00084845	Executive Chairperson & Managing Director Founder & Promoter Director	June 28, 1990	April 7, 2022	Three years effective April 7, 2022	3	-	1	19,40,997 (~2.15%)	1. Solara Active Pharma Sciences Limited - Non Executive Director	
2	Dr. Kausalya Santhanam DIN: 06999168	Independent Director	December 11, 2019	December 11, 2019	First Term of five years effective December 11, 2019	3	1	4	1,203* (~0.0013%)	1. Sequent Scientific Limited - Independent Director 2. Solara Active Pharma Sciences Limited - Independent Director	
3	S Sridhar DIN: 00004272	Independent Director	July 27, 2012	July 30, 2019	Second Term of five years effective July 30, 2019	11	5	7	48,750 (~0.05%)	1. Jubilant Pharmova Limited - Independent Director 2. Shriram Finance Limited - Independent Director 3. Go Fashion (India) Limited - Independent Director and Chairperson	
4	Bharat Shah DIN: 00136969	Independent Director	July 25, 2014	June 15, 2021	Second Term of three years effective June 15, 2021	5	2	5	76,424 (~0.08%)	1. 3M India Limited - Non-Executive Independent Director & Chairman 2. Exide Industries Limited - Non-Executive Independent Director & Chairman 3. Spandana Sphoorthy Financial Limited - Non-Executive Independent Director	
5	Homi Rustam Khusrokhan DIN: 00005085	Independent Director	May 18, 2017	May 18, 2022	Second Term of five years effective May 18, 2022	3	2	3	-	1. Neuland Laboratories Limited - Independent Director	
6	Badree Komandur DIN: 07803242	Executive Director - Finance and Group CFO	May 18, 2017	May 18, 2023	Three years effective May 18, 2023	1	0	0	25,000 (~0.03%)	Nil	

* In addition to 1,203 shares, Dr. Kausalya along with her spouse jointly holds 1,000 shares in the Company

Notes

1. While considering the total number of Directorships, directorship in Public Companies, Private Companies and Alternate Directorships (including Nominee Directorship) are considered. Directorship in Foreign Companies and Section 8 Companies, if any, have been excluded.
2. Further, position held in the Company as Director and Member/ or Chairperson of the Committee is included above.
3. None of the Director is a member of the Board of more than twenty companies or a member of more than ten Board level Committees or Chairperson of more than five Committees across all listed/ public entities.
4. None of the Independent Directors serve as an Independent Director on more than seven listed entities.
5. In accordance with the provisions of Listing Regulations, while considering the position held as Member/ Chairperson in Committees, only Audit Committee and Stakeholders' Relationship Committee are considered.
6. Committee membership in all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.
7. None of the Directors are related to any other Director.
8. None of the Directors other than Mr. Arun Kumar, are holding any convertible securities of the Company. Mr. Arun Kumar through M/s. Karuna Business Solutions LLP is holding 15,47,510 Convertible Warrants as at March 31, 2023. Detailed note on warrants in provided under Clause 10 to this Report.

Detailed Profile of Directors is available at https://www.strides.com/corporate-board.html

Management & Leadership Experience | Functional & Managerial Experience | Pharma Business | Corporate Governance | Personal Values

Annexure CG 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Strides Pharma Science Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Strides Pharma Science Limited, holding CIN: L24230MH1990PLC057062, and having Registered Office at 201, 'Devavrata', Sector 17, Vashi, Navi Mumbai – 400 703, Maharashtra, India, and Corporate Office at 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076, Karnataka, India, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, for the financial year ended on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Ensuring eligibility for 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 Gopalakrishnaraj H H & Associates
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/ 2020
UDIN: F005654E000366740

Place: Bengaluru
Date: May 24, 2023

Annexure CG 3

Declaration of Compliance with the Code of Conduct for the Financial Year ended March 31, 2023

I hereby confirm that the Company has received affirmation as to compliance with Company's Code of Conduct for the Financial Year ended March 31, 2023 from the Board of Members and Senior Management Personnel.

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 24, 2023
Place: Bengaluru

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members Of Strides Pharma Science Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 September 2022 and addendum to the engagement letter dated May 30, 2023.

   We have examined the compliance of conditions of Corporate Governance by Strides Pharma Science Limited ("the Company"), for the year ended March 31, 2023, 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") .

Management's Responsibility

2. 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 the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. 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.

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.

5. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), 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 ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9. 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W – 100022

Sampad Guha Thakurta
Partner
Membership No: 060573
ICAI UDIN: 23060573BGYNED5712

Place: Bengaluru
Date: 31 July 2023

Business Responsibility and Sustainability Report (BRSR)

Section A: General Disclosures

Details of the listed entity:

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Entity	L24230MH1990PLC057062
2.	Name of the Listed Entity	Strides Pharma Science Limited ("Strides" / "Company")
3.	Year of Incorporation	1990
4.	Registered Office Address	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703
5.	Corporate Address	Strides House, Bilekahalli, Bannerghatta Road, Bengaluru – 560 076
6.	E-mail	investors@strides.com
7.	Telephone	+91 80 6784 0290
8.	Website	www.strides.com
9.	Financial Year for which report is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	• The National Stock Exchange of India Limited (NSE) • BSE Limited
11.	Paid-up Capital (INR.)	903,027,040
12.	Name and contact details *(telephone, email)* of the person who may be contacted in case of queries on the BRSR report	Mr. Christoph Funke Chief Operations Officer (COO) Ph: +91 80 6784 0347 Email: investors@strides.com
13.	Reporting Boundary *(Standalone or Consolidated basis)*	**Financial disclosures** – For Strides, on a standalone basis **Other disclosures** - For Strides and two of its Wholly owned Subsidiaries based in India, i.e., Arco Lab Private Limited (Arcolab) and Vivimed Life Sciences Private Limited (Vivimed)

Products and Services:

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical, and botanical products	100%

15. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/ Service	NIC Code	%of total turnover contributed
1.	Manufacturing	21002	100%

Operations:

16. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	5 • *Bengaluru, Karnataka: 2 facilities & 1 R&D Centre* • *Puducherry: 1 facility* • *Alathur, Tamil Nadu: 1 facility**	2 • *Registered office at Navi Mumbai, Maharashtra* • *Corporate office at Bengaluru, Karnataka*	7
International**	4 • *USA- 1 facility at Chestnut Ridge* • *Italy- 1 facility* • *Singapore- 1 facility* • *Kenya- 1 facility^*	8 *US | UK | Singapore | South Africa | Italy | Canada | Switzerland | Kenya^*	12

*: Held by Vivimed Life Sciences Pvt Ltd, a Wholly owned Subsidiary of the Company

**: Plants and offices are of step-down subsidiaries

^: Universal Corporation Limited was a subsidiary of Strides up to September 30, 2022. Effective September 30, 2022, it is an Associate Company of Strides.

17. Markets Served by the Entity:

a. Number of Locations:

Location	Number
National (No. of States)	The company focuses on 'difficult to manufacture' products sold in over 100 countries
International (No. of Countries)	

b. What is the contribution of exports as a percentage of the total turnover of the entity?

93.76%, on a standalone basis ("Total turnover" considered for the calculation includes other income)

c. A Brief on types of customers

Our customers include wholesalers, large pharmacy chains, global donor-funded institutions, and large pharmaceutical companies.

Employees:

18. Details as at the end of Financial Year 2022- 23

Employees (including differently abled)

S. No.	Particulars	Total (A)	Male Number (B)	Male Percentage (B/A)	Female Number (B)	Female Percentage (B/A)
1.	Permanent Employees	1,759	1,359	77%	400	23%
2.	Other than Permanent Employees	80	61	76%	19	24%
3.	**Total Employees (1+2)**	**1,839**	**1,420**	**77%**	**419**	**23%**

Note:

a) **Permanent Employee** includes all permanent employees on rolls of the Company and two of its Wholly owned Subsidiaries in India, viz., Arcolab and Vivimed

b) **Other than Permanent Employee** includes all individuals hired through third party vendors & other individuals hired on retainership and who provide consultancy to the Company in specific areas.

Workers (including differently abled)

S. No.	Particulars	Total (A)	Male Number (B)	Male Percentage (B/A)	Female Number (B)	Female Percentage (B/A)
4.	Permanent Workers	1,091	1,013	93%	78	7%
5.	Other than Permanent Workers	1,689	1,102	65%	587	35%
6.	**Total Workers (4+5)**	**2,780**	**2,115**	**76%**	**665**	**24%**

Note

a) **Permanent Worker** includes all operators on the rolls of the Company and two of its wholly owned subsidiaries, in India, viz., Arcolab and Vivimed.

b) **Other than Permanent Worker** includes those workers who are hired for contingent work and those who provide ancillary services; these workers are deployed in the company through third party vendors.

b. Differently abled Employees and Workers

Differently Abled Employees

S. No.	Particulars	Total (A)	Male Number (B)	Male Percentage (B/A)	Female Number (B)	Female Percentage (B/A)
1.	Permanent Employees	1	1	100%	0	0%
2.	Other than Permanent Employees	0	0	0%	0	0%
3.	**Total Employees (1+2)**	**1**	**1**	**100%**	**0**	**0%**

Differently Abled Workers

S. No.	Particulars	Total (A)	Male Number (B)	Male Percentage (B/A)	Female Number (B)	Female Percentage (B/A)
4.	Permanent Workers	0	0	-	0	-
5.	Other than Permanent Workers	0	0	-	0	-
6.	**Total Workers (4+5)**	**0**	**0**	**-**	**0**	**-**

19. Participation/ Inclusion/ Representation of Women

Particulars	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	6	1	17%
Key Management Personnel	3*	1	33%

*2 out of 3 Key Managerial Personnel is also part of the Board of Directors of the Company.

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28%	7%	35%	18%	5%	23%	12%	4%	16%
Permanent Workers	1%	0.1%	1%	1%	0.1%	1%	2%	1%	3%

Note: Percentage calculated is on "Total Permanent Employees" and "Total Permanent Workers" for respective heads

Holding, Subsidiary and Associate Companies (including joint ventures):

21. Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture (A)	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
The details of the holding/ subsidiary/ associate/ joint venture companies are provided in Form No AOC-1, which is an annexure to the Board's Report.				

22. CSR Details:

(i). Whether CSR is applicable as per Section 135 of Companies Act, 2013	Yes, CSR is applicable for Strides. Details of CSR activities undertaken are provided as an Annexure to the Board's Report.
(ii). Turnover (in INR Million)	18,545 (on a Standalone basis)
(iii). Net Worth (in INR Million)	29,809 (on a Standalone basis)

Transparency and Disclosures Compliances:

23. Complaints/ Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N)	Financial Year 2022- 23			Financial Year 2021- 22		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Communities	Yes*	-	-	No complaints	-	-	No complaints
Investors (Other than shareholders)	Yes	-	-	No complaints	-	-	No complaints
Shareholders	Yes	36	0	-	136	0	-
Employees and Workers	Yes	20	4	• 19 identified complaints related to Health & Safety and Working Condition. • 1 complaint related to sexual harassment. 4 Open complaints pertain to working conditions, resolution of which are under progress as at the date of this report	73	8	• 71 Complaints related to Health & Safety and Working Condition. • 2 complaints related to sexual harassment. As at date, all 8 open complaints pertaining to working conditions have been closed.
Customers	Yes	254	4	Complaints are being tracked as per SOP. Average closure time for a complaint is 60 days.	331	0	-

* The Company's CSR team reaches out to the concerned stakeholders/ panchayat members and initiate action, if needed and seeks their feedback on the services provided, to ensure that their needs are met. Also, at the Arogyadhama Advisory committee consisting of Panchayat members, all related issues are deliberated and resolved, thereby building trust and credibility with the beneficiary community.

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

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the Risk or the Opportunity
1.	Employee and workforce Health & Safety (EHS)	Risk and Opportunity	**Risk:** Non-compliance to EHS standards and procedures resulting in health and safety issues to personnel, accidents, fines and penalties. **Opportunity:** A comprehensive EHS management system includes Hazard Identification & Risk Assessment (HIRA) mitigation plans, root cause analysis of the reported incidents and corresponding corrective action plan which helps company to manage its EHS issues.	The company has robust EHS management system & policies in place and undertakes EHS audits, event reporting & hazard reporting. Internal/ External audits for EHS covers inter alia the following: • Personnel safety • Process and fire safety • Electrical safety The company also has a dedicated software that has been implemented in all facilities in India for reporting and monitoring EHS incidents.	**Positive:** Comprehensive EHS management approach enables the Company to prevent occurrence of incidents. **Negative:** Accidents during manufacturing operations may lead to loss of time and have financial implications.
2. 3.	Labour Practices Talent Attraction and Retention	Risk	**Risk:** Talent attraction and retention are directly linked to workforce welfare. Further, inadequate manpower planning process may result in delays in hiring, thereby also impacting the functional/ business goals.	a) The Company undertakes annual Manpower Planning exercise based on zero base budgeting for all functions. b) Monthly tracking of workforce costs & headcount is also tracked.	**Positive:** The company's retention rate highlights its efforts towards creating a comfortable work environment in addition to creating a positive approach towards workforce development. Negative: Retention of workforce is critical for delivering work within timelines else it may lead to loss of trust from the customer. It will also lead to additional stress/ work pressure on existing teams, thereby impacting welfare of overall workforce.
4.	Governance	Risk	**Risk:** Lack of establishment of effective internal financial controls for activities performed by service entity may lead to fraudulent activities and financial loss. Inconsistent communications among different investors/sharing of information with analysts may lead to reputational damage.	a) The company has financial SOPs in place. b) Management testing is performed annually to assess internal controls and address deficiencies (if any). c) Sharing of the information is restricted to information already available in public domain. Any exceptional communication requires prior approval of senior management. d) There are designated personnel for investor communication and the Company also has a Corporate Communication policy in place.	**Positive:** A well-established internal financial control and governance system may avoid fraudulent activities and financial losses.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the Risk or the Opportunity
5.	Management of the Legal and Regulatory Environment	Risk	**Risk:** ESG compliance risk is linked to non-adherence with standards and guidelines of all local and global regulatory agencies, focusing on inter-alia pharmacovigilance, proprietary, confidentiality and other core governance standards.	Strides conducts periodic review of regulations including amendments, applicable laws & regulations to ensure complete coverage.	**Positive:** Compliance with applicable regulatory requirements pertaining to the ESG domain reflects the Company's commitment towards responsible business practice. **Negative:** Failure to comply with statutory requirements may result in penalties, compounding, negative press coverage, or penal prosecution.
6. 7. 8.	Energy Water Stewardship Waste Management	Risk and Opportunity	**Risk:** Environmental risks are addressed to emphasise on the Company's climate consciousness and its contribution towards managing adverse impact of climate change. **Opportunity:** Comprehensive resource management plans in alignment with the Company's environment conservation strategy will highlight the Company's contribution towards climate change mitigation action plans.	a) The company is focusing on waste management to attain net-zero impacts. b) Strides ensures ESG compliance through its comprehensive governance and review mechanisms.	**Positive:** Company's focus on strengthening ESG specific initiatives enables the company to effectively respond to rising stakeholder demands. **Negative:** Lack of ESG initiatives and action plans to contribute to mitigation of climate change might adversely impact business operations and lead to disruption.
9.	Physical Impact of Climate Change	Risk	**Risk:** Physical impacts of climate change such as natural disaster, extreme temperature can impact the continuity of the business.	The Company has developed a business continuity and disaster strategy as part of its risk management approach, thereby ensuring preparedness for unforeseen events and minimising potential disruptions.	**Negative:** Facilities not designed to withstand extreme weather events like earthquakes/ floods etc. could lead to disruption of operations and financial cost due to compensation.

Section B: Management and Process Disclosures

Disclosure Questions	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	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
b. Has the policy been approved by the Board?	The policies/ procedures are approved by the functional heads, and few of them have been adopted by the Board/ Board Committees.								
c. Web Link of the policies, if available	Few of the policies are available on the website of the Company – www.strides.com Some of them are available on the Intranet portal of the Company, which is accessible only to the employees.								
2. Whether the entity has translated the policy into procedures?	Yes								
3. Do the enlisted policies extend to your value chain partners?	The Company has developed a "vendor code of conduct," which vendors are expected to adhere to.								
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All manufacturing locations in India are complying to ISO 14001: 2015 standards and three key manufacturing sites are ISO 14001 certified by National Quality Assurance.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	To be reported from FY 2023-24 onwards.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.									

Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements

Please refer to "Executive Chairperson and Managing Director's message" in the Annual Report.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Name: Mr. Arun Kumar Designation: Executive Chairperson and Managing Director Email: investors@strides.com
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues?	Yes, Risk Management Committee (RMC) of the Company, under supervision of the Board of Directors is responsible to periodically review Environmental, Social and Governance (ESG) initiatives and reporting of the Company. Consequently, under RMC's Steering Committee, a Sustainability Council has been formed in the company.

10. Details of Review of NGRBCs by the Company:	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)
Subject for Review	P1 P2 P3 P4 P5 P6 P7 P8 P9	P1 P2 P3 P4 P5 P6 P7 P8 P9
Performance against above policies and follow up action	Policies and procedures are periodically reviewed by the Board/ Board Committees/ Heads, as and when applicable.	Annually | Periodically
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Compliance with statutory requirements is reviewed by the Executive Directors of the Company on a periodic basis.	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

	P1	P2	P3	P4	P5	P6	P7	P8	P9
	During FY 2021-22, the Company underwent an independent assessment by EcoVadis								

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	Not Applicable								
The entity is not at a stage where it is able to formulate and implement the policies on specified principles									
The entity does not have the financial or human and technical resources available for the task									
It is planned to be done in the next financial year									
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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during FY 2022-23:

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors of Strides*	8	Awareness programme for members of the Board of Directors and KMPs of the Company are conducted on a periodic basis where updates are provided on various topics including developments in the Company, risks, compliance & governance matters, fiduciary duties of a director and their responsibility towards stakeholders, amongst others. Essence of the programme also covers importance of the principles in making decisions that benefit the organisation and society at large, thereby stressing importance of regularly reporting on Company's progress in these areas to ensure continuous improvement.	100%
Key Managerial Personnel of Strides*	8		100%
Employees other than BoD and KMPs	125	Code of Conduct, POSH training, skill development, new joiner induction, and Environment, Health and Safety (EHS) awareness sessions.	90%
Workers	125		97%

* During quarterly meetings, Board Members also meet with business heads and functional heads of the Company. In these meetings, comprehensive presentations are made on aspects such as business models/ strategies, recent trends in pharma industry, and regulatory regime impacting the Company. This also facilitates Board Members to provide their inputs and suggestions on the above matters directly to the business and functional heads. Similar practice is followed in the material subsidiaries of the Company as well.

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 FY 2022-23

			Monetary		
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of Case	Has an appeal been preferred?
Penalty/ Fine					
Settlement			NIL		
Compounding Fee					

			Non-Monetary		
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of Case	Has an appeal been preferred?
Imprisonment			NIL		
Punishment					

3. Of the instances disclosed in Question 2, above detail of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NIL

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

Yes https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides'_code_of_conduct_july_2022.pdf

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2022-23	FY 2021-22
Directors		
Key Managerial Personnel (KMPs)	None	
Employees		
Workers		

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

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors		None		
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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.

NIL

Leadership Indicators

1. Awareness programmes conducted for the value chain partners on any of the Principles during FY 2022-23:

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company is in the process of streamlining awareness programs. However, there have been sessions between the key stakeholders to educate them on the nine principles.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

Yes, the Company's "Code of Conduct" and "Policy for governance of Related Party Transactions", as available in the Company's website are applicable to the Board Members.

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

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Total investment in R&D and capital expenditure on a standalone basis during FY 2021-22 and FY 2022-23 is as under, which also includes investment in technologies to improve environmental and social impacts.

	FY 2022-23 (INR in Millions)	FY 2021-22 (INR in Millions)
R&D	818.77	967.48
Capex	349.40	1,014.09

2. Does the entity have procedures in place for sustainable sourcing? If "Yes", what percentage of inputs were sourced sustainability?

The company has taken initiative to implement responsible procurement practices across its supply chain. As a measure of enhancing its impact on society and the environment, the company encourages local sourcing which results in cost saving, mitigation of currency risk, and reduction in environmental footprint due to transportation services. 100% of our inputs sourced from critical suppliers are sourced sustainably and responsibly.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for:

Plastics (including packaging)	Plastic wastes are collected, segregated, and recycled through authorised recyclers of respective states of Karnataka, Tamil Nadu, and Puducherry (union territory)
E- Waste	E-wastes are categorised into 6 sub-categories which are then collected, segregated, and disposed through authorised recyclers of respective states of Karnataka, Tamil Nadu, and Puducherry (union territory).
Hazardous Waste	Hazardous wastes are categorised into 8 sub-categories which are collected, segregated, and disposed through authorised incinerating agencies of respective states of Karnataka, Tamil Nadu, and Puducherry (union territory).

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities?

- **If "Yes", whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board?**
- **If "Not", provide steps taken to address the same.**

At Strides, we comply with the Plastic Waste Management Rules, as amended from time to time, and as statutorily required. Rejected finish goods are taken back and disposed as per applicable local laws. Expired goods available with our distributors are disposed as per applicable local laws of respective region/ country.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) or for its services (for service industry)?

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 web-link

Any new product introduced are evaluated in detail for EHS concerns. Assessment of risks associated with products and processes are evaluated. If any activity is identified as unacceptable risk, mitigation plans are made available using the hierarchy of control mechanism before execution of activities.

EHS systems and procedures are implemented across all sites for handling of any environmental risk such as air pollution, water pollution, hazardous waste, soil contamination, raw materials, flammable liquid, gaseous etc., as per recommendation of respective state authorities.

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

Name of Product/ Service	Description of the risk/ concern	Action Taken

Strides has implemented comprehensive procedures for collection, segregation, storage, and disposal of hazardous and non-hazardous waste generated from production, as per the consent order issued by concerned authorities. All product related wastes are disposed safely through authorised vendor for incineration. During manufacturing operations, any effluent waste generated are treated at our inhouse effluent plant to ensure the pollutant parameter are well within the limits and recycled 100% inside the company premises, to avoid any social impact to nearby surroundings.

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

Indicate input material	Recycled or re-used input material to total material	
	Financial Year 2022- 23	Financial Year 2021-22
Recycled gelatin used as input material for manufacturing of Omega – 3 capsules	0	12.8 Tonne (~30%)

Note: There is no utilisation of re-cycled or re-used input material for 100% of the production being involved in manufacturing of pharmaceutical products. Given the criticality and volatility associated with production of pharmaceutical products, consumer health, safety, compliance with applicable laws & regulations and clinical trials, there is no scope for recycling or reusing input material.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

	Financial Year 2022- 23			Financial Year 2021- 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Strides is a 100% Export Oriented Unit (EOU) as per Foreign Trade Policy (FTP) of Government of India and once its pharmaceutical products are distributed and reaches the market, it is subject to strict regulations, quality checks, and safety control measures. Reclaiming the products or its packaging, at the end of life involves high degree supply chain complexities. Therefore, reclaim of products is not applicable to our business operations.					
E-Waste						
Hazardous Waste						
Other Waste						

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

Indicate Product Category	Reclaimed products and their packaging materials as % total products sold in respective category
Nil	

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

Essential Indicators

1. a. Details of measures for the well-being of Employees for FY 2022-23

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,359	1,341	99%	1,359	100%	-	-	1,359	100%	339	25%
Female	400	397	99%	400	100%	400	100%	-	-	112	28%
Total	**1,759**	**1,738**	**99%**	**1,759**	**100%**	**400**	**23%**	**1,359**	**77%**	**451**	**26%**
Other than Permanent Employees											
Male	61	49	80%	49	80%	-	-	49	80%	-	-
Female	19	17	89%	17	89%	17	89%	-	-	-	-
Total	**80**	**66**	**83%**	**66**	**83%**	**17**	**21%**	**49**	**61%**	**-**	**-**

b. Details of measures for the well-being of Workers for FY 2022-23

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1,013	912	90%	1,013	100%	-	-	1,013	100%	606	60%
Female	78	76	97%	78	100%	78	100%	-	-	55	71%
Total	**1,091**	**988**	**91%**	**1,091**	**100%**	**78**	**7%**	**1,013**	**93%**	**661**	**61%**
Other than Permanent Workers											
Male	1,102	12	1%	12	1%	-	-	12	1%	-	-
Female	587	1	0.2%	1	0.2%	1	0.2%	-	-	-	-
Total	**1,689**	**13**	**1%**	**13**	**1%**	**1**		**12**	**1%**	**-**	**-**

2. Details of retirement benefits for FY 2022-23 and FY 2021-22

Benefits	Financial Year 2022- 23			Financial Year 2021- 22		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	6%	9%	Yes	6%	12%	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? If "Not", then whether any steps are being taken by the entity in this regard.

The premises/ offices of the Company, including the registered and corporate offices have facilities that enable accessibility and hassle-free movement for differently abled individuals. Most offices are located either on the ground floor or have elevators and infrastructure to ease access for differently abled individuals.

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

As per Strides' Code of Conduct & Ethics and Recruitment Policy, Strides is committed to provide a work environment free of unlawful harassment and provides equal employment opportunity for all persons regardless of their race, color, religion, sex, gender (including pregnancy), age, marital status, nationality, disability, sexual orientation, family and career responsibilities, medical status including HIV.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave during FY 2022-23**

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	98%	98%	100%	100%
Total	**99%**	**99%**	**100%**	**100%**

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:**

Particulars	Particulars
Permanent Workers	A formal Grievance Redressal policy is available for the employees in the intranet portal of the organisation. SEEK app is also made accessible to all the permanent workers, where they can air grievances and concerns, which are kept confidential. Apart from these, various forums and platforms are made available in different manufacturing units wherein grievances of the workers can be aired either individually or collectively through their union representatives and there are meetings that are organised periodically (e.g., Sampark Samay etc.) to address their grievances.
Other than Permanent Workers	Advised to approach the location HR representatives and discuss their grievances.
Permanent Employees	A formal Grievance Redressal policy is available for the employees in the intranet portal of the organisation. Other avenues available for employees are: • SEEK app, which is made accessible to all the employees. They can air grievances and concerns, which are kept confidential. • Periodic Town halls, one-to one meetings, Skip level meetings are organised, thereby providing opportunity to employees to express their concerns/ issues.
Other than Permanent Employees	HR Point of Contact (POC) for contract workers is present for contractors to reach out and resolve their grievances. Basis the gravity of the grievance, HR POC for contract workers reaches out to HR Business Partner for support and resolution.

7. **Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	Financial Year 2022- 23			Financial Year 2021- 22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)
Total Permanent Employees	**1,759**	**0**	**0%**	**2,108**	**0**	**0%**
- Male	1,359	0	0%	1,704	0	0%
- Female	400	0	0%	404	0	0%
Total Permanent Workers	**1,091**	**1,023**	**94%**	**990**	**828**	**82%**
- Male	1,013	950	94%	912	775	84%
- Female	78	73	94%	78	53	67%

Note: Only Permanent Workers are part of the Union.

8. (a). Details of training given to employees and workers on "Health and Safety Measures"

Category	Financial Year 2022- 23			Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
- Male	1,359	902	66%	1,704	1,163	68%
- Female	400	220	55%	404	229	57%
Total	**1,759**	**1,122**	**64%**	**2,108**	**1,392**	**66%**
Workers						
- Male	1,013	966	95%	912	874	96%
- Female	78	78	100%	78	78	100%
Total	**1,091**	**1,044**	**96%**	**990**	**952**	**96%**

Note: In addition to above, during FY 2022-23, total of 1,275 contractual workers were also imparted with EHS training

(b). Details of training given to employees and workers on "Skill Upgradation"

Category	Financial Year 2022- 23			Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,359	1,165	86%	1,704	1,367	80%
Female	400	322	81%	404	272	67%
Total	**1,759**	**1,487**	**85%**	**2,108**	**1,639**	**78%**
Workers						
Male	1,013	956	94%	912	886	97%
Female	78	78	100%	78	76	97%
Total	**1,091**	**1,034**	**95%**	**990**	**962**	**97%**

Note: Only permanent employees and workers have been considered in Total (A) column i.e., as the headcount as on March 31, 2023.

9. Details of Performance and Career Development reviews of employees and workers:

Category	Financial Year 2022- 23			Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,359	1,018	75%	1,925	578	30%
Female	400	263	66%	456	99	22%
Total	**1,759**	**1,281**	**73%**	**2,381**	**677**	**28%**
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Note:

1) As per annual Performance review eligibility criteria, employees who joined on or before September 30, 2022 for FY 2021-22 and September 30, 2022 for FY 2022-23 were part of the review process.
2) Employees who are Trainee Executives or Management Trainees are not part of Annual review process.
3) Workers are not part of the annual review process.
4) For Performance year 2021-22 employees at Executive and Senior Executive from Strides did not undergo the Performance review exercise.

10. Heath and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity?	• **Yes**, health and safety management systems are implemented in all locations including manufacturing sites, Research and Development (R&D) centre, and offices; • Periodic internal and external audits are carried out to ensure the compliance of occupational health and safety management system in all the site operations, including manufacturing, quality control, facility, and engineering, administrative, warehouse, etc.; • EHS trainings, audits, and inspections are carried out as per the guidelines of ISO 14001 Standard, Factories Act, Indian Boilers Act, Environment Protection Act, Electrical Act, PESCO, NBC, etc.; • The company's Process Safety Management System facilitates implementation of best safety practices. Further, it enables the identification of work-related hazards through EHS walkthrough checklists, GEMBA walks, 5S implemented in workplace to ensure safety, HIRA, Hazardous Area Classification (HAC) study, etc.; • The Occupational Health and Safety management system covers all employees, contractors, and visitors of Strides; hence the coverage is 100%.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	• Identification of work-related hazards through EHS walkthrough checklists, GEMBA walks, HIRA, HAC study etc.; • EHS application (MySetu app) has provision to log and escalate any unsafe act and unsafe conditions which are identified in site premises. All employees are trained on group EHS SOP (GEHS/002- EHS reporting and hazard reporting); – In FY 2022-23, 740 hazards were reported and 85 EHS events were logged across all sites; • Any non-routine activities involving external contract workers are routed through permit to work system (PTW). PTW has different type of permits like General, Hot, Confined, Work at Height, Electrical, High Risk, etc.; • In FY 2022-23, 5,516 work permits were issued across all sites.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?	**Yes**, EHS application (MySetu) has been implemented across all sites for workers to report on any unsafe act and condition. Safety Committee meeting has representation from workers and any work-related hazard reported in the meeting are tracked till it is logically closed.
d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?	**Yes**, the company provides non-occupational medical and health-care services to its employees and workers. Some of them include: • Occupational Health Centres at the factory premises are set up for employees to seek medical consultation; • Arogyadhama Hospital centre for employees and their family members conducts periodic medical examination for all the employees; • Employees are provided awareness session that are organised periodically at various locations by medical experts on diabetes, cervical cancer, etc.

11. Details of safety related incidents:

Safety Incidents/ Number	Category	Financial Year 2022- 23	Financial Year 2021- 22
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0.37	0.16
	Workers	0.48	0.35
Total recordable work-related injuries	Employees	4	4
	Workers	6	1
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

- Strides follows guidelines and principles of ISO 14001:2015, OSHA Standards, Factories Act, and other State level regulatory requirements within its Environment Health and Safety (EHS) management system. The company undertakes periodic internal and external audit to assess the safety practices and procedures in alignment with the EHS management system. The Company provides safety trainings, safety drill practices to all its employees and workers. The safety training programs enable the development of strong foundation among the workforce, in terms of their ability to identify, mitigate and prevent risks pertaining to Occupational Health and Safety.
- Any non-routine activities involving external contract workers are routed through permit to work (PTW) where all tasks are accessed to identify risks associated with it and mitigation measure are ensured till completion of activities.
- HIRA is being performed for all new products, equipment, and facility modification where risk associated with each activity are evaluated using risk matrix techniques considering present hierarchy of control to conclude if the risk is acceptable or unacceptable. Any unacceptable risk is further evaluated to identify the mitigation plans and recommended controls are made available before execution of the activity.
- Strides endeavors to prevent negative health impact on the employees through various health awareness sessions, provision of medical facilities, and medical insurance benefits. Additionally, the company provides voluntary health promotion services such as lifestyle counselling, stress management sessions, nutritional awareness campaigns through site occupational health physician.
- Respiratory fit testing has been facilitated for targeted group of employees who regularly use Respiratory Protective Equipment during their routine and non-routine process related activities. Occupational exposure banding of all products is evaluated and categorised into OEB (1 to 5). Recommended hierarchy of control are ensured during batch manufacturing. Total of 28 assessments have been carried out till now, and products are categorised as OEB-5 (3 nos.), OEB- 4 (8nos.), OEB- 3 (17nos).
- CMR (Carcinogenic, Mutagenic, Reproductive Toxicity) assessment done for applicable molecules and safety drill practices. Periodic mock drill sessions are conducted to ensure that all employees are aware of emergency plan management. The company organises external safety training on basic lifesaving & first aid, firefighting awareness sessions through authorised agencies to ensure competency of targeted group and certifies them.
- Fire safety gadgets like fire hydrant systems, fire horse reels, fire extinguishers, fire detection systems, emergency escape plans, fire exits, chemical spill kits, eye showers, emergency lights, first aid boxes, adequate PPEs are made available across all sites to ensure safe and healthy workplace.

13. Number of complaints on the following made by employees and workers:

Benefits	Financial Year 2022- 23			Financial Year 2021- 22		
	Filed	Pending Resolution at end of year	Remarks	Filed	Pending Resolution at end of year	Remarks
Working Conditions	17	4	Resolution of open complaints currently under progress as at the date of this report	59	8	As at date, all 8 open complaints have been closed.
Health and Safety	2	0	NA	12	0	NA

14. Assessment for FY 2022-23

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices	100%
Working Conditions	100%

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

In FY 2022-23, there were three minor fire/ flash incidents i.e., one at KRSG and two at R&D locations. Post root-cause analysis of the incidents, corrective action and preventive actions were taken to avoid recurrence of such incidents in the future.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death of (A) Employees; and (B) Workers

- Yes, coverage under the existing Group Term Life Insurance (Death Benefits) is 5 Times the CTC of Workers and 3 Times the CTC of Employees.
- Support for deceased employees' families: We have supported families of employees who have died due to Covid, by providing them a sum equivalent to two (2) years' of their Gross salary. This is in addition to the insurance bereavement coverage.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has developed "Vendor's code of conduct," to be adhered by all vendors in their business transactions with the Company.

3. **Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022- 23	FY 2021- 22
Employees	Nil			
Workers				

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, the Group has multiple stream of businesses outside the listed Company. For any employee, who is retiring and willing to work further, we explore whether their expertise can be used on a part-time assignment basis. In few critical positions where skill is scarce, Company has also extended service tenures. For termination, other than on integrity and ethical grounds, the Company initiates a performance improvement plan and gives an opportunity for employees to improve over time. If there is no improvement, termination is initiated, and financial assistance is provided on a case to case basis.

5. **Details on assessment of value chain partners (FY 2022-23):**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices Working Conditions	During FY 2022-23, while no independent assessment was carried out, the company's "Vendor's code of conduct" includes adherence to applicable regulations relating to health and safety practices and working conditions by the vendors.

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.**

   None during FY 2022-23.

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

Essential Indicators

1. **Describe the process for identifying key stakeholder groups of the entity.**

   Stakeholders are an integral part of the Strides' business and thus we consistently engage with a wide range of stakeholders, including employees', governmental organisations, nongovernmental organisations (NGOs), shareholders and other financial market participants, local communities, and partners from the pharmaceutical and other industries. The material issues including ESG and economic factors that are priorities for our stakeholders, form an important part of our actions and decisions. Our engagements with our stakeholders have helped in understanding the mutual expectations from each other. We identify stakeholders on basis of their contribution in the value chain and who influence our business or are part of it.

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

Stakeholder Group	Identified as Vulnerable or Marginalised Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Employees	No	Direct and other communication mechanisms including open houses, mailers, intranet, employee committees, engagement initiatives, newsletters	Continuous	Employee wellbeing is extremely important for Strides' growth model. Employee engagement through various means of communication provides an insight into the key action areas for employee wellbeing and growth. The key areas of interest for employees are: • Training • Well-being initiatives • Employee recognition • Fair remuneration • Work-life balance • Grievance redressal
Shareholders/ Investors	No	Press releases, social media, website, analyst meets, analyst briefings, quarterly results, general meetings, integrated reports, financial reports, email advisories, intimation to stock exchanges, annual/quarterly financials, and investors meetings/ conferences	Quarterly, Annually, Need Based	Continuous engagement with investors is extremely important. This leads them to take an informed decision to invest in our Company. The key areas of engagement includes an update on the business and financial performance, Company's strategy, potential opportunities and risks, our goals/ actions etc.
Suppliers, Vendors & third-party manufacturers	No	Vendors meets and virtual modes like telephone and e-mails	Continuous	Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner, engagement with supplier, vendor enables the company to identify the key material issue impacting the supply chain. The key areas of interest for the supplier are business visibility and collaborations.
Customers	Yes*	Customer meets, mailers, news bulletins, brochures, social media, and website	Frequently	To strengthen customer relationships, enhance business opportunities, stay connected to understand the industry challenges and diversifying customer needs and aspirations. Also, to address any issues that the customers might have.
Channel Partners, Franchises and Key Partners	No	Partners meets and events, mailers, news bulletins, brochures, social media and website	Frequently	Stronger partnership helps to increase reach and enhance business scale, ethical and fair business practices, and strong governance mechanism.
Community	Yes	In-person meetings during field visits and engagement through partners	Continuous	Community developments programs initiated under the company's CSR umbrella enables driving a positive impact on the lives of the community members. Key area of interests are health, education, sanitation, and infrastructure development.
Regulators	No	Email, In person meetings	Need based	Engagement with regulatory authorities is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance.

* If they qualify based on the specified criteria of 'income level'

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.**

   The Company is in the process of implementing a comprehensive ESG framework in place. The Company has a comprehensive risk management framework in place wherein the risk register captures these critical aspects which is reviewed by the Risk Management Committee of the Board of Directors.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   The Company engages with stakeholders to identify and manage social and environmental topics. One such instance is the use of renewable power through multiple service providers that was implemented after the stakeholders came up with intriguing value propositions.

3. **Provide detail of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   The Company engages in Corporate Social Responsibility (CSR) activities and through its initiatives it continuously engages with community members. There have not been any incidents of complaint or grievance so far by the community.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

Category	Financial Year 2022-23			Financial Year 2021-22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Permanent	1,759	1,759	100%	2,108	2,108	100%
Other than permanent	80	80	100%	158	158	100%
Total Employees	**1,839**	**1,839**	**100%**	**2,266**	**2,266**	**100%**
Workers						
Permanent	1,091	1,091	100%	990	990	100%
Other than permanent	1,689	1,689	100%	1,707	1,707	100%
Total Workers	**2,780**	**2,780**	**100%**	**2,697**	**2,697**	**100%**

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

Category	Financial Year 2022- 23					Financial Year 2021- 22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	**1,759**	**119**	**7%**	**1,640**	**93%**	**2108**	**0**	**0%**	**2011**	**92%**
- Male	1,359	83	6%	1,275	94%	1704	0	0%	1639	93%
- Female	400	36	9%	365	91%	404	0	0%	372	84%
Other than Permanent	**80**	**0**	**0%**	**80**	**100%**	**158**	**0**	**0%**	**158**	**100%**
- Male	61	0	0%	61	100%	95	0	0%	95	100%
- Female	19	0	0%	19	100%	63	0	0%	63	100%
Workers										
Permanent	**1,091**	**0**	**0%**	**1,091**	**100%**	**990**	**0**	**0%**	**990**	**100%**
- Male	1,013	0	0%	1,013	100%	912	0	0%	912	100%
- Female	78	0	0%	78	100%	78	0	0%	78	100%
Other than Permanent	**1,689**	**1,254**	**74%**	**435**	**26%**	**1,707**	**173**	**10%**	**1,534**	**90%**
- Male	1,102	917	83%	185	17%	1,032	105	10%	927	90%
- Female	587	337	57%	250	43%	675	68	10%	607	90%

3. **Details of remuneration/ salary/ wages for FY 2022-23**

	Male		Female	
	Number	Median salary/ wage of respective category	Number	Median salary/ wage of respective category
Board of Directors* (BoD)				
a. Executive Directors	2	52,000,001	0	0
b. Non-executive Directors (NED)	4	6,069,854	1	6,069,854
Key Managerial Personnel#	0	0	1	6,408,000
Employees other than BoD and KMP	1,358	700,000	399	501,308
Workers	1,013	567,600	78	392,616

* ED & NED are considered as two separate categories and accordingly data provided.

Excluding Executive Directors

Notes:

1) Variable pay to Executive Chairperson & MD factored in the above calculation, shall be paid post shareholders' approval.
2) Commission for FY 2022-23 for NED factored in the above calculation, shall be paid post shareholders' approval.
3) Sitting fees paid to Dr. Kausalya Santhanam from Material Subsidiaries also factored in the above calculation.

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, the Company has a Human Rights policy in place which captures our commitment towards respecting human rights and discouraging involvement in any kind of human rights violations. In addition, the Company initiates formal assessments to minimise potential adverse impacts. The learnings of the same is institutionalised across the Company. Policies and procedures of the Company are amended from time to time to incorporate the learnings from the events. Committees are formed at manufacturing and corporate locations consisting of cross functional members to address the same.

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

   A Code of Conduct and a formal Grievance Redressal policy is available, and all matters are dealt accordingly. Similarly for PoSH complaints, a formal policy is available which includes the methodology to resolve complaints brought to the notice of Internal Complaints Committee (ICC).

6. **Number of complaints on the following made by employees and workers:**

Benefits	Financial Year 2022-23			Financial Year 2021-22		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	1	0	Complaint closed within 90 days	2	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	NA	NA	NA	NA	NA	NA
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

NA: Not applicable

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

SEEK app is a Business Intelligence platform by a third party service provider, which is used for airing personal grievances. It has a functionality by way of which the name of the concerned employee is not disclosed to anyone in the company. The agreement with vendor ensures that the identities of employees are kept strictly confidential. While the complainant's issues are addressed by the company, the identity of the complainant is kept confidential and this acts as a protective shield for the complainant, and he/she is prevented from any harassment. The same procedure applies to the complaint raised for POSH or Whistle Blower Policy. The identity of the complainant at issue, is never disclosed internally thereby giving zero chance for harassment for filing a complaint.

8. **Do human rights requirements form part of your business agreements and contracts?**

Our business agreements and contracts emphasise the importance of compliance with all applicable laws, which includes upholding human rights standards. While specific mention of human rights requirements may not be included, it is explicitly stated that all parties involved in our business dealings are expected to comply with all applicable laws, thereby encompassing human rights obligations.

9. **Assessment for FY 2022-23:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	

Note: A third party audit has been conducted by independent statutory compliance auditors and no violation has been observed under the laws mentioned herein.

10. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 9, above.**

Our current practices and processes are duly inspected by various agencies from time to time. Besides the assessments undertaken by government/ regulatory bodies, we aim at conducting periodic audits through third party auditors to check for any non-compliances. We also undertake a comprehensive HR Compliance audit once in two years, which is conducted by a third party legal firm, who help in identifying areas of improvement. So far, we have not come across any areas of concerns related to human rights.

Leadership Indicators

1. **Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.**

Strides is committed to upholding a proactive approach in preventing discrimination in all its forms, including but not limited to sexual harassment, wage disparities, and other human rights issues. The company recognises the importance of fostering an inclusive and equitable work environment for all its employees. For instance:

- Attendance of contract workers: Change from manual recording of attendance to biometric attendance has helped in greater transparency of process and this biometric attendance is directly linked to the payroll of the contract worker. The digitisation has ensured fair and equitable ways of earning wages to all workers.
- Strides has been conscious of the local community in which it operates and does not discharge effluents (from the production process) to outside area. Instead, the effluent treatment set up ensures that wastewater is treated for horticulture purpose thereby conserving environment.
- Biohazardous waste is disposed-off through a governmental approved vendor so that the probability of contamination with human beings in and around the site is minimised/ mitigated.
- Strides' Recruitment policy specifies on non-discrimination and equal opportunity employer. We are committed to provide a work environment free of unlawful harassment and are committed to provide Equal Employment opportunities for all persons regardless of Race, Colour, Religion, Sex /Gender including pregnancy/childbirth, Age, Marital Status, National Origin, Disability, Sexual Orientation, Family and Career responsibilities, Gender Identity and Intersex status, medical status including HIV status in the hiring practices.
- Strides employ women workers in A-shift and general Shift. Generally, we do not deploy women in B shift across most of our plants considering gender sensitivity and as an adherence to cultural norms of the region in which we operate.

2. **Details of the scope and coverage of any Human Rights due-diligence conducted.**

- Quarterly Internal Audit by third party auditor addresses various issues pertaining to human rights.
- Online Compliance Management tool to monitor various compliances, which also ensures that human right violations, if any, are captured and reported to the board.
- Once in two years, a comprehensive Audit of HR legal compliances is undertaken.
- For conducting business, company undertakes various social audits which address many such issues. We have been participating in UL Audit, EcoVadis Certification etc.

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?**

The premises/ offices of the Company, including the registered and corporate offices have facilities that enable accessibility and hassle free movement for differently abled individuals. Most offices are located either on the ground floor or have elevators and infrastructure to ease access for differently abled individuals.

4. **Details on assessment of Value Chain Partners:**

	% of value chain partners (by value of business done with such partners) that were assessed:
Child Labour	During FY 2022-23, while no independent assessment is carried out, the company has developed a "vendor code of conduct" which includes adherence to applicable regulations relating to health and safety practices and working conditions by the vendors.
Forced/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	

5. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessment at Qs. 4 above.**

   None during FY 2022-23

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

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity**

   Consolidated details provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru:

(In Kilo Joules- KJ)

Parameter	Financial Year 2022- 23	Financial Year 2021- 22
Total Energy Consumption (A)	98,29,00,44,000	101,205,874,800
Total Fuel Consumption (B)	48,71,87,44,848	523,829,746,33
Energy consumption through Other Sources (C)	65,77,90,05,600	622,210,248,00
Total Energy Consumption (A+B+C) (KJ)	**2,12,78,77,94,448**	**2,15,80,98,74,233**
Energy intensity per rupee of turnover (KJ/ INR Lakhs) (Total energy consumption/turnover in rupees)	12	11

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? If "Yes", disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No

3. **Details of the following disclosures related to water:**

   Consolidated details provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru:

Parameter	Financial Year 2022- 23	Financial Year 2021- 22
Water withdrawal by source (in kilo-litres)		
(i). Surface Water	0	0
(ii). Groundwater	59,877	35,580
(iii). Third Party Water	1,34,901	150,476
(iv).Seawater/ Desalinated water	0	0
(v). Others (Please specify)	0	0
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	**1,92,018**	**186,056**
Total volume of water consumption (in KL)	**1,92,018**	**186,056**
Water intensity per rupee of turnover (Kl/INR. Lakh) (water consumed/ turnover)	0.01	0.01

4. **Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If "Yes", provide details of its coverage and implementation.**

   - Currently, 3 out of 5 Strides' sites are Zero Liquid Discharge (ZLD) sites and we have implemented water conservation through reduce, reuse, recharge, and recycle approach within manufacturing locations.
   - As part of the recycling initiative, Strides provides tertiary treatment to its effluent, the treated effluent water is then effectively recycled and reused for in-house gardening. This enables the company to implement ZLD at its manufacturing locations.
   - In Alathur plant, effluent water generated are treated at in-house Effluent Treatment Plant (ETP), and Sewage Treatment Plant (STP) water are sent to authorised common effluent treatment plant as per consent order received from State Pollution Control Board (SPCB).
   - In R&D, effluent water is sent to authorised common effluent treatment plant as per consent order received from State Pollution Control Board (SPCB).

5. **Details of air emissions (other than GHG emissions) by the entity**

   The Ambient air quality monitoring is conducted once every 3 months as per the Pollution Control Board consent conditions by NABL accredited vendor.

   Consolidated details provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru:

Parameter	Unit	Financial Year 2022- 23	Financial Year 2021- 22
NOx	mg/Nm3	31.5	32.5
Sox	mg/Nm3	63	36.8
Particulate Matter (PM)	mg/Nm3	57.6	54.2
Persistent organic pollutant (POP)	Not applicable as per the PCB Consent to operate (CTO) condition of respective sites		
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			

6. **Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

   Consolidated details provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru:

Parameter	Unit	Financial Year 2022- 23	Financial Year 2021- 22
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	6,168	6,206
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	19,385	19,960
Total Scope 1 and Scope 2 emissions per rupee of turnover	TCo2 eq/ INR. Lakh	0.0000014	0.0000013

7. **Does the entity have any project related to reducing Greenhouse gas emissions? If "Yes", then provide details.**

   Yes, Strides has implemented projects to reduce its carbon footprint. They are as follows:

   - Installation of 2 MW solar power plants covering all 3 India manufacturing sites is under progress; to harvest clean energy from roof top solar power panels.
   - Inhouse renewable energy source is in place, and we have achieved 2.23% of inhouse clean energy generation in FY 2022-2023. Target is to achieve at least 5 % of total power consumed from inhouse renewable energy sources, from FY 2023-24 onwards.
   - Sustaining solar power consumption by importing solar power from third party to have minimum 50% of the total power consumption in our flagship manufacturing site in Bengaluru.
   - Currently, all refrigerants used in water chilling plant are designed only with R-134A ozone non-depleting gas and all water chillers with R-22 as refrigerant were phased out.
   - All new water chilling plants are designed with R-134A as a refrigerant instead of R22 (ozone depleting refrigerant) to reduce GHG emission.

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

Consolidated details provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru:

For battery waste, we have buy-back agreement with supplier to recycle used batteries.

Parameter	Financial Year 2022- 23	Financial Year 2021- 22
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	192	73
E-Waste (B)	1.5	9
Bio-medical Waste (C)	5.7	6
Construction and Demolition Waste (C&D) (D)*	-	-
Battery Waste (E)	0	0
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G) (Please specify, if any)	730	425
Other Non-Hazardous Waste generated (H) (Please specify, if any)	221	335
Total Waste Generated (A+B+C+D+E+F+G+H)	**1,150**	**847**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste Name:	414	416
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	414	416
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste Name:		
(i) Incineration	736	430
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**736**	**430**

* Construction and Demolition Waste Management Rules 2016 is applicable only upon generation of 20 tonne or more in a day, or 300 tonne per project per month.

9. 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.

- Strides has implemented waste management plan with comprehensive approach towards waste minimisation, segregation, and safe disposal. Effective mechanisms for disposal of large quantity of hazardous waste through incineration process has also been implemented.
- Health and safety attributes of new products (API, Excipients, and other process materials) are evaluated to identify negative health impact of chemicals. While conducting initiation trails, only minimal batch size is manufactured to reduce the wastage from processes and to reduce exposure to any hazardous chemicals.
- The diversion of initial rainwater to Wastewater treatment plant (WWTP) aims to reduce Permissible Environmental Concentration (PEC) of groundwater table by recharging fresh, very low Total Dissolved Solids (TDS) rainwater to the existing groundwater table is a proactive approach to treat harmful substances in water, as well as effectively manage groundwater resources.

10. If the entity has operations/ offices in & around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/ clearances are required, please specify details:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
Nil			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in FY 2022-23

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
Not Applicable since Environmental Impact Assessment (EIA) is carried out only during construction of new projects or major expansion/ structural retrofits.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Yes/ No).

If "Not", provide details of all such non-compliances:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken, if any
All manufacturing facilities and R&D are compliant with the applicable environmental laws, regulations, legislations, and guidelines as per the central and state level mandates/ requirements.				

Leadership Indicators

1. Provide breakup of the total energy consumed (in Joules or multiples) from Renewable Energy and Non-Renewable sources:

Consolidated details provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru.

At facilities in Bengaluru and Puducherry, the Company has set-up in-house solar energy sources for supply of electricity. KRSG, Bengaluru has long-term power purchase agreement with renewable energy supplier to supply 16.5 Mn units (KWh) per annum. As for the sources of non-renewable energy, they are the respective DISCOMs and Diesel Generators (DGs).

Parameter	Financial Year 2022-23 (Kilojoules- KJ)	Financial Year 2021-22 (Kilojoules- KJ)
From Renewable Sources		
Total electricity consumption (A)	65,77,90,05,600	622,210,248,00
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	**65,77,90,05,600**	**622,210,248,00**
From Non-Renewable Sources		
Total electricity consumption (D)	98,29,00,44,000	101,205,874,800
Total fuel consumption (E)	48,71,87,44,848	523,829,746,33
Energy consumption through other sources (F)	NA	NA
Total energy consumed from renewable sources (D+E+F)	**1,47,00,87,88,848**	**1,53,58,88,49,433**

2. **Provide the following details related to water discharge:**

Consolidated details, as applicable, provided below for all applicable sites in India, viz., 2 facilities in Bengaluru, 1 facility each in Puducherry and Alathur, 1 R&D in Bengaluru:

Strides has installed effluent treatment plants and sewage treatment plants at its facilities, and treated water from the plants is used for purpose of gardening/ maintenance of green belt. As can be observed from the data presented below, there has been a reduction in amount of water discharged.

Parameter	Financial Year 2022-23	Financial Year 2021-22
Water discharge by destination and level of treatment (in kilo-litres)		
(i) To Surface Water		
- No treatment		
- With treatment- please specify level of treatment		
(ii) To Ground Water		
- No treatment		
- With treatment- please specify level of treatment	Not Applicable*	
(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	13,129	13,653
(v) Others	-	-
- No treatment	NA	NA
- With treatment- please specify level of treatment	NA	NA
Total water discharged (in kilo-litres)	**13,129**	**13,653**

Note: For 2 facilities (R&D and Puducherry) water is disposed as per the requirements of concerned State's/ UT's Pollution Control Board guidelines.

For rest of the facilities, zero liquid discharge mechanism (ZLD) has been implemented i.e., wastewater is treated and reused within the premise, without any discharge outside the fence.

*As per PCB consent order received, treated water should be used only for in-house gardening purpose.

3. **Water withdrawal, consumption, and discharge in areas of 'Water Stress' (in kilo litres):**

For each facility/ plant located in areas of water stress, provide the following information:

i. Name of area: **KRSG and Chandapura (Anekal Taluk)**

ii. Nature of operations: **Manufacturing of Pharmaceutical products**

iii. Water withdrawal, consumption, and discharge:

Parameter	Financial Year 2022- 23	Financial Year 2021-22
From Renewable Sources		
(i) Surface Water	0	Not Applicable*
(ii) Ground Water	59,877	
(iii) Third Party Water	53,559	
(iv) Seawater/ Desalinated Water	0	
(v) Others	0	
Total volume of water withdrawal (in KL)	**1,13,436**	
Total volume of water consumption (in KL)	**1,13,436**	
Water intensity per rupee of turnover (Water consumed/ turnover)	**0.01**	

Parameter	Financial Year 2022- 23	Financial Year 2021-22
Water discharge by destination and level of treatment (in Kilo litres)		
(i) To Surface Water	Both sites have zero liquid discharge mechanism (ZLD) i.e., wastewater is treated and reused within the premise, without any discharge outside the fence.	
- No treatment		
- With treatment- please specify level of treatment		
(ii) To Ground Water		
- No treatment		
- With treatment- please specify level of treatment		
(iii) Sent to Third Party Water		
- No treatment		
- With treatment- please specify level of treatment		
(iv) Into Seawater		
- No treatment		
- With treatment- please specify level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify level of treatment		

*: As per license obtained from Central Authority for Ground Water Authorisation (CGWA) during FY 2022-23, facilities situated at Anekal Taluk, Bengaluru falls under water stress location

4. **Please provide details of total Scope 3 emissions and its intensity:**

Parameter	Unit	Financial Year 2022- 23	Financial Year 2021- 22
Total Scope 3 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	Refer note below	
Total Scope 3 emissions per rupee of turnover	TCo2 eq/INR LAKH		
Total Scope 3 emission intensity (optional)- the relevant metric may be selected by the entity	TCo_2 eq/MT of product		

Note: The Company is embarking on the journey of ESG at an organisational level. The monitoring mechanism is included as part of the overall framework.

5. **With respect to the ecologically sensitive areas reported in Qs. 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.**

Nil

6. **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:**

S. No.	Initiative undertaken	Details of the initiative	Outcome of the Initiative
1.	Installation of Phoenix Steam Expander	Lab model testing is under progress at IIT Mumbai, tentatively by June 2024	Power generation by steam expander. Expected saving of INR 1 Million per annum
2.	Installation of heat pump chillers (250 m3/hour)	Chiller with heat pump provision finalised and purchase order issued. Delivery tentatively by September 2023	Power saving by heat pump and VED operations. Expected saving of INR 8 Million per annum
3.	Roof top solar power generation of 2 MW	Installation completed for 1.3 MW	2.23% clean energy utilised of total power consumption
4.	Heat recovery system for condensate water	Installation completed for tablet, OLT, SVMS, LVMS expansion areas	Reduction in fuel expense. Expected saving of INR 7.5 Million per annum
5.	Steam heating system to generate hot water by automation control system	Under progress	Reduction in fuel expense. Expected saving of INR 3.5 Million per annum
6.	Sun shield coating for terrace area to reduce air conditioning load	Under progress	Reduction of room temperature by 2 to 3 degrees. Expected saving of INR 1.1 Million per annum

7. **Does the entity have a business continuity and disaster management plan?**

The pharma industry is a regulated industry with heightened regulatory oversight at all points of time. Patient's safety and efficacy is extremely important in this business to ensure continuous supply of drugs at affordable prices.

Strides Group has 8 manufacturing plants across the world. The Company also has alternate manufacturing sites within its network in case of any disruption wherein the products can be supplied in an uninterrupted manner.

In addition, the Company as part of enterprise risk management framework has identified many elements of business continuity and disaster management, which gets periodically reviewed as part of Risk management committee's charter.

8. **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 adverse impact to the environment caused, from any activities or measures pertaining to value chain partners.

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

None during FY 2022-23.

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

Essential Indicators

We strive to create a positive impact and actively participate in making sound policy decisions to drive change in public policies that are beneficial to the sector we operate in. We believe that a sustainable business growth can be achieved by effectively collaborating with regulatory authorities, government, and trading bodies. We are associated with and part of various industry bodies and associations that influence public and regulatory bodies in a responsible manner and from time to time, actively engage in public policy advocacy campaigns.

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

7

(b) **List the top 10 trade and industry chambers/ associations**

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Pharmaceuticals Export Promotion Council of India	National
2.	Export Promotion Council for EOUs & SEZs	National
3.	Indian Drug Manufacturers' Association	National
4.	Bombay Chambers of Commerce	State
5.	Bengaluru Chamber of Industry and Commerce	State
6.	Karnataka Drugs & Pharmaceutical Manufacturers Association	State
7.	Federation of Karnataka Chambers of Commerce and Industry	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 authority	Brief of the Case	Corrective action taken
	NIL	

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
The Company monitors and analyses public policies that have an impact on the pharmaceutical industry and stay informed about the latest regulatory developments and government initiatives that can influence the pharmaceutical sector. The Company also shares its recommendations, wherever applicable, with an intent to bring in a positive change and create an environment conducive to the development of life-saving medicines and improved patient care.					

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in FY 2022-23:**

Name and brief detail 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					

Note: The Impact assessment was done in the year 2020 by an external Auditor SAN India, which is affiliated to Social Audit Network, UK. SAN India, facilitates and supports the principles and practice of Social Accounting and Audit (SAA) framework of accountability, to help organisations in India effectively measure impact. The programme objectives were evaluated on the REES framework, where 'R stands for Relevance', 'E stands for Effectiveness', 'E stands for Efficiency', and 'S stands for Sustainability'. Our overall average scores were 8.6 / 10. The Social Auditors validated that our CSR goals align with 4 UN SDG goals – a. End poverty in all its form and everywhere – UN SDG – 1 b. Ensure Healthcare and well-being for all at all ages – UN SDG – 3c. Quality education for all – UN SDG – 4 and d. Ensure availability and sustainable management of water and sanitation for all – UN SDG – 6. We intend to take up the Impact Analysis again in FY 2024-25 by a third-party assessors, to assess the Impact created by our CSR initiatives and to check on the performance vis-à-vis the objectives set.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	%of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR.)
Not Applicable						

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

The Company's CSR team reaches out to the concerned stakeholders/ panchayat members and initiate action, if needed and seeks their feedback on the services provided, to ensure that their needs are met. Also, at the Arogyadhama Advisory committee consisting of Panchayat members, all related issues are deliberated and resolved, thereby building trust and credibility with the beneficiary community.

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

Particulars	Financial Year 2022- 23	Financial Year 2021- 22
Directly sourced from MSMEs/ Small producers	~6%	~7%
Sourced directly from within the district and neighbouring districts	~17%	~18%

*On a standalone level (Bengaluru, Puducherry and their neighbouring districts has been considered)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference Qs. 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:

S. No.	State	Aspirational District	Amount Spent (in INR.)
1.	Karnataka	Bengaluru (*Arogyadhama*)	5,000,000
2.	Karnataka	Bengaluru (*Leaps*)	1,746,898
3.	Karnataka	Bengaluru (*Sivasakthi*)	2,400,000
4.	Puducherry	Puducherry (*TISS*)	3,605,896
5.	Puducherry	Puducherry (*SVRCC*)	1,500,000
6.	Karnataka	Bengaluru (*Anganwadi*)	1,650,000
7.	Karnataka	Bengaluru (*Govt. School imp.*)	870,250
8.	Karnataka	Bengaluru (*Vidyadhama*)	6,254,785

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups?

The Company sources materials from MSMEs on a case to case basis, which may include marginalised or vulnerable groups, considering that company has got 4 manufacturing facilities in different areas in India. Suppliers around the manufacturing areas are also evaluated as part of the framework.

(b) From which marginalised/ vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in FY 2022-23), based on traditional knowledge:

S. 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 Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalised groups
1.	**Arogyadhama** – A state-of-the-art healthcare facility, covers 10 villages and over 12500 population at Suragajakkanahalli Care includes Preventive, Promotive and Curative care along with facilities like X-ray, Scan, Pharmacy, Minor OT, Path Lab, and specialty clinics like general physician, dental, Gynecology, pediatrics, ophthalmology etc.	11,940	100%
2.	**LeAPS** – Leadership Adoption Program at Schools, aims to provide Life Skills training to children of Government Schools. Currently we are imparting Life skill training to 2 (two) government schools at Haragadde.	584	100%
3.	**Siva Sakthi Homes** – Siva Sakthi Sathya Sai Charitable Trust is a registered trust, established to serve Intellectually Challenged people and Senior Citisens. The Trust has a Home in Sri Raja Rajeswari Nagar, Bengaluru, Karnataka which has 28 differently abled inmates. Strides Foundation sponsors groceries and medicines to this home.	28	100%
4.	**BVOC – TISS:** To provide higher education and improve the lives of disadvantaged and marginalised youth by enabling them to learn the skill by engaging in OJT, at the real shop floor of the industry and classroom training, Bachelor of Vocational Training in Pharma manufacturing was initiated in collaboration with Tata Institute of Social Sciences (TISS) to empower youth and build and nurture pharma professionals.	39	100%
5.	**Vocational Skilling at SVRCC –** Under our employability empowerment programme, in collaboration with Swami Vivekananda Rural Community College we are providing vocational skills to the youth of fishermen community at Puducherry. The selected youths deserving and desiring from the local/ fisherman community will undergo one-year vocational training based on their aptitude abilities to increase their employment opportunities and build them as responsible citisens.	100	100%
6.	**Infrastructure Improvement at Government School Muthanallur –** to enhance the learning experience and provide the hygienic environment to children - developmental initiatives have been taken up GHP School Muthanallur.	97	100%

Note:

Strides has 2 projects which are in progress and has spent significant amount in construction:

a. An Anganwadi is constructed to support the children, pregnant women and new mothers of Medahalli Village at Suragajakkanahalli Panchayat, Bengaluru. This is expected to be functional by June 2023 to benefit over 25 Children.

b. Vidyadhama - Strides is building a model school for the children of Government Higher Primary school, Haragadde. Vidyadhama will be functional from June 2024 to benefit 400+ children.

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Strides has a robust complaint management system in place. It follows risk-based approach with defined timelines for each key stage of complaint management. The complaints are logged in and managed till final closure, through a qualified software, known as Sparta Systems.

After receipt of complaint (through email, calls, & other communication channels) at Strides, each complaint is logged in and assigned a unique complaint number for tracking purpose. An acknowledgement is sent to the complainant and immediate risk assessment of the complaint is carried out. Based upon assessment, necessary corrections and containment actions are taken, along with effective follow-up activities as part of the corrective action plan.

Wherever a potential impact on distributed product is anticipated, the respective regulatory authorities are duly informed as per applicable regulations. A thorough investigation is conducted by an internal cross-functional team comprising of quality, manufacturing, legal, and relevant stakeholders, depending upon the nature of complaint to identify the root cause. Based upon investigation findings a final risk assessment is done and necessary corrective and preventive actions, commensurate with the risk associated with the complaint, are implemented.

Wherever complaints are about adverse events or impact on patient health, such complaints are forwarded to Pharmacovigilance and Medical Affairs team for clinical assessment. After completion of investigations, a response is sent to the complainant including the summary of investigation, the identified root cause(s) and actions taken/ planned as applicable. A period of 15 days is provided for complainant's feedback, before final closure of the complaint.

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

Details of negative social impact identified	As percentage to total turnover
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	Customer is provided with instructions on dosage and basic knowledge about the science behind the various ingredients added in different products. We also provide information on the composition of each ingredient in volume and percentage in the product. Storage Instructions and cautionary notes are also provided, wherever required. The Company also displays relevant information on the product labels as per the requirements of national and international drug regulatory bodies.

3. **Number of consumer complaints in respect of the following:**

Benefits	Financial Year 2022- 23			Financial Year 2021- 22		
	Received	Pending resolution at end of year	Remark	Received	Pending resolution at end of year	Remark
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Customer Complaints	254	4	Complaints are being tracked as per SOP. Average closure time for a complaint is 60 days.	331	0	-

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary Recalls	3	• Market complaint, embossing on the tablets did not match with the description provided in specifications. • Product Mix up, a tablet of lower strength was found in the bottle of higher strength medicine. • OOS in Finished Product Assay, during real time stability testing.
Forced Recalls	0	-

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.**

Yes, the company has requisite policies and frameworks in place.

- Risk Management Policy: https://www.strides.com/pdf/Committees%20of%20the%20Board/2020/strides_risk_management_policy_may_2020.pdf
- Privacy Statement: https://strides.com/privacy_policy.html

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.**

Strides implemented the following Corrective Actions and Preventive Actions (CAPAs) to avoid recurrence:

- For one of the recalls: Modification of punch tool design for relevant products having similar tooling. The cleaning checklist & Batch Manufacturing Record (BMR) were revised to include specific checks for similar products.
- For one of the recalls: Batch Packing Record (BPR) and line clearance checklist were revised to include specific additional checks at bottle packaging line.
- For one of the recalls: Type II variation filing for revision in shelf life specification is under progress with SAPHRA. As an interim action BMR revised to include steps to ensure no API traces are left behind in the dispensed bags.

Leadership Indicators

1. **Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)**

Details of our products can be assessed/seen on the website, viz., www.strides.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.**

All our products have a product information leaflet provided, this document covers all aspects on the product usage, the potential side effects, and precautionary note.

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

In the unlikely event of possible disruption or discontinuation of product supply, the respective Customers are informed as per applicable Technical Agreement and the Regulatory Authorities are informed, as per applicable statutory requirements.

4.a. **Does the entity display product information on the product over and above what is mandated as per the local laws? If "Yes", provide details in brief.**

The company provides detailed product booklet and information is available in public domain for consumer knowledge.

4.b. Did your entity carry out any survey with regard to customer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole?

The company has not carried out any customer satisfaction survey in the FY 2022- 23.

5. Provide the following information relating to data breaches:

(a) Number of instances of data breaches along-with impact:

None

(b) Percentage of data breaches involving personally identifiable information of customers.

None

By order of the Board of Directors

Date: May 25, 2023
Place: Bengaluru

Arun Kumar
Executive Chairperson & Managing Director

Christoph Funke
Chief Operations Officer

Financial Statements

Independent Auditor's Report

To the Members of
Strides Pharma Science Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Strides Pharma Science Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial information of such subsidiaries and associates as were audited by the other auditors the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2023, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going Concern Assessment

[Refer Significant Accounting Policies and note 2 to consolidated financial statements].

The key audit matter	How the matter was addressed in our audit
As at 31 March 2023, the Group has recognised loss amounting to ₹ 2,123.30 Million and generated positive operating cash flows amounting to ₹ 444.11 Million. The Parent Company has concluded that the going concern basis is appropriate in preparing the consolidated financial statements of the Group and that no material uncertainty exists as of balance sheet date. The Group evaluated its ability to continue as a going concern based upon an assessment of the Group's cash position, assessment of the exposure with respect to the financial guarantees provided by the Parent Company to an associate company, future cash flow forecasts, its debt repayment obligations and other commitments and its availability of financing facilities, after considering breaches of its existing debt covenants and the related subsequent temporary relaxations obtained from the lenders for compliance with such debt covenants. Considering the significance of the area to the overall financial statements and our audit, this is considered as a key audit matter.	Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Group's ability to continue as a going concern included the following audit procedures to obtain sufficient appropriate audit evidence: • Gaining an understanding and assessing the design, implementation and operating effectiveness of Group's key internal controls over preparation of cash flow forecasts to assess its liquidity; • Compared the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors; • Evaluating the key assumptions in the cash flow forecasts with reference to historical information, current performance, future plans, and market and other external available information; • Performing sensitivity analysis on the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company; • Performing a retrospective review to assess the reasonableness of Group's past projections by comparing historical forecasts to actual results; • Assessing the availability of banking and other financing facilities by inspecting underlying documentation; • Evaluating Parent Company's judgment of invoking of guarantees provided to the lenders of the associate; • Assessing the impact of any existing covenants and the related relaxations and other restrictive terms therein which may impact Group's ability to raise further debts; • Assessing the adequacy of the disclosures related to application of the going concern assumption.

Taxation

Refer Significant Accounting Policies and notes 12, 13, 27 and 36 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group operates across different tax jurisdictions around the world and is subject to complexities with respect to various tax positions on matters including such as: • availability of tax incentives / exemptions. • deferred taxes - cross border transfer pricing arrangements etc. The Company is subjected to various domestic and foreign tax regulations with respect to taxability of income received in India including repatriation of any profits as dividends. Assessing the applicability of tax and accounting of such repatriation may involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/assessments. Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. The Group makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Group recognises accruals which reflect its best estimate of the outcome based on the facts known in the relevant jurisdiction. Given the complexity of tax accounting for multiple jurisdictions including judgment involved in determining impact of uncertain tax positions we assessed this to be an area of focus for our audit.	In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence: • We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of taxation at a Group level; • We obtained an understanding and analysed key correspondences with the tax authorities for key jurisdictions to identify any additional uncertain tax positions; • We analysed the Group's judgment regarding the eventual resolution of matters with various tax authorities in certain key jurisdictions. In this regard, we understood how the Group has considered past experience, where available, with the tax authorities in the respective jurisdictions; • We used subject matter experts, to assess the accounting treatment done for key jurisdictions for current and deferred taxes. • We also considered external legal opinions and consultations made by the Group for key uncertain tax positions during current and past period. • We have verified the income tax rate reconciliation for key jurisdictions; • We also obtained the Group's computation for deferred taxes for multiple entities in the Group and assessed its compliance with the recognition and measurement principles under the accounting standards.

Impairment testing of goodwill and intangible assets

Refer Significant Accounting Policies and notes 7 and 8 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group has goodwill and intangible assets of ₹ 5,137.58 Million and ₹ 5,630.93 Million respectively as at 31 March 2023. These intangible assets predominantly arise on account of past business combinations and are subjected to impairment test as part of Cash Generating Units (CGU's) which include goodwill. The annual impairment testing of goodwill and intangible assets within such CGU's was considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement involved to estimate the recoverable amount. The recoverable amount of the CGUs (includes goodwill and intangible assets among other items), which is the value in use has been derived from discounted forecast cash flow models. These models use several assumptions, including estimates of future sales growth, operating costs, terminal growth rates and weighted-average cost of capital.	In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence: • Tested the design and operating effectiveness of the Group's controls around the impairment testing of carrying value of goodwill / intangible assets; • Engaged valuation specialists to assist in testing the reasonableness of the valuation by evaluating the assumptions and methodologies used by the Group, in particular for weighted average cost of capital, terminal growth rate, etc. for the relevant markets in which the CGUs operate; • Evaluating the assumptions applied to key inputs such as sales growth, operating costs, and terminal growth rates; • Tested whether the Group's analysis and disclosures about the sensitivity of the outcome of impairment to possible changes in key assumptions like terminal growth rate, weighted average cost of capital, etc. reflects the risks inherent in the valuation of goodwill; • Performing a retrospective analysis of the accuracy of the Group's past projections by comparing historical forecast to actual results;

Chargebacks, rebates, returns, other adjustments and related accruals ("gross to net sales adjustments")

Refer Significant Accounting Policies and notes 16, 24 and 28 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
A significant portion of Group's sales are made to customers in the United States of America ('USA') under certain commercial and governmental reimbursement schemes and mandated contracts. These arrangements provide for significant amount of chargebacks, rebates, medicaid and other related accruals (collectively known as 'gross-to-net' sales adjustments). The Group also provides a general right of return to its customers for these products. These arrangements result in deductions to gross sales and give rise to obligations for the Group to provide customers with allowances, which for unsettled amounts are recognised as an accrual. This was an area of focus in our audit because arrangements are of significant value, inherently complex and computation of accrual requires significant judgement and estimation by the Group. This judgement is particularly complex in USA in which competitive pricing pressure and multi-layered product discounting are increasingly prevalent. These accruals (other than provision for sales return and Medicaid payables) have been disclosed as a reduction to trade receivables as of 31 March 2023.	In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence: • Obtained the computation for year-end accruals and tested the assumptions used by reference to the Group's stated commercial policies, applicable contracts, stock lying at wholesalers and historical product returns and other claims / allowance. • We performed test of details on the actual claims processed for wholesalers during the year towards chargebacks, rebates, sales return and other allowances etc. to determine the accuracy of 'gross-to-net' sales adjustments. • Tested the historical data with respect to claims processed for sales return, chargebacks, rebates, Medicaid and other allowances. • Performed analytical procedures on 'gross-to- net' sales adjustments recognised during the year to identify any unusual variances / relationships, if any. • For each of the estimated accruals, tested the mathematical accuracy of the computation and verified the underlying data used for completeness and accuracy.

Impairment testing of investment in associates

Refer Significant Accounting Policies and notes 9(i) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group has investments in associates of 3,776.84 Million as at 31 March 2023. Stelis, one of the associates of the Group, recorded a loss of ₹ 7,998.30 Million during the year primarily driven by a large loss on account of inventory write-downs of Sputnik vaccine which it couldn't sell due to the ongoing Ukraine-Russia geopolitical crisis. It is also carrying out significant product development with insignificant revenues and accordingly, the Group continues to record its share in the losses of the associates. The recoverable value of the associate for impairment testing was determined using discounted cash flow approach which involves significant judgement and estimates. Given the recurring losses incurred by the associates and impact of loss of vaccine business, impairment testing was significant to our audit, because of the financial quantum of the assets as well as the critical judgements, estimates and assumptions involved.	In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence: • Tested the design and operating effectiveness of the relevant key controls around Group's assessment of impairment testing of the carrying value of investment in associates. • Performed a retrospective analysis to assess the reasonableness of associate's projections by comparing historical forecast to actual results. • Tested reasonability of projections used by the Group relating to the sales growth, operating costs, cashflow forecasts. • Engaged valuation specialists to assist in testing the reasonableness of the valuation by evaluating the assumptions and methodologies used by the Company, in particular for weighted average cost of capital, terminal growth rate, etc. • Discussed with component auditors of associates on their testing of impairment of non- current assets in the associate and conclusions thereof. • Tested whether the Group's analysis about the sensitivity on the outcome of impairment to possible changes in key assumptions reflects the risks inherent in the valuation.

Going concern assessment (as reported by component auditor for one of the associate)

Refer Significant Accounting Policies and notes 2 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Stelis (an associate of the Group) has recorded a loss amounting to 7,998.30 Million for the year ended March 31, 2023. The management of Stelis has concluded that the going concern basis is appropriate in preparing the special purpose consolidated financial information of Stelis. Stelis has evaluated its ability to continue as a going concern based upon an assessment of the following: • monetising the value of the intangibles/intangibles under development by way of obtaining marketing rights from regulatory authorities and licensing them; • generating increased revenues from CDMO operations; • divestment of one of the manufacturing facilities to a potential customer on a slump sale basis; • Stelis's plans for refinancing a portion of the debt, if and as may be required; • infusion of capital by current shareholders to the extent of partly paid shares; • continuing financial support from promoter shareholders. This required the exercise of significant judgement, particularly in forecasting the Stelis's ability to meet all its obligations as on when it falls due. The management of Stelis has also considered that the majority of the Stelis's borrowings are backed by the corporate guarantees of Strides Pharma Science Limited ('Strides'), an entity having significant influence over the Company. The management of Stelis concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Stelis's ability to continue as a going concern. It is considered to be a key focus area by the component auditor considering the significance of the area to the overall financial statements.	The principal audit procedures performed by the Component auditor, among other procedures included: • Gaining an understanding and assessing the design, implementation and operating effectiveness of Stelis's key internal controls over preparation of cash flow forecasts to assess its liquidity; • Compared the forecasted cash flows with the Stelis's business plan approved by the board of directors; • Evaluating the key assumptions in the cash flow forecasts with reference to historical information, current performance, future plans, and market and other external available information; • Performing a retrospective review to assess the reasonableness of Stelis's past projections by comparing historical forecasts to actual results; • Assessing the underlying supporting documents including corporate guarantee agreements provided by Strides on behalf of Stelis to its lenders and confirmation received from Strides to extend necessary support, contracted licensing and manufacturing service agreements, proposed debt refinancing agreements (as may be required) and non-binding agreement with one of the potential customer for divestment of one of the manufacturing facilities; • Assessing the pending infusion by the current shareholders towards partly paid-up shares and financial support from the promoters; • Performing sensitivity analysis on the forecasted cash flows by considering plausible changes to the key assumptions adopted by Stelis; • Assessing the adequacy of the disclosures related to application of the going concern assumption.

Impairment testing (as reported by component auditor for one of the associate)

Refer Significant Accounting Policies and notes 9(i) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The management of Stelis (an associate of the Group) has assessed the annual impairment of CGU (which includes intangible assets under development and assets relating to Unit 1 – Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organisation (CDMO) as at March 31, 2023. The carrying value of the CGU is tested by the management of Stelis atleast annually for impairment, or more frequently if the events or changes in circumstances indicate that the asset might be impaired. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. The management of Stelis has involved external specialist to carry out impairment assessment. It is considered to be a key focus area by the component auditor because of the significance of the balance and the significant estimates, judgements and assumptions involved in impairment assessment by the management of Stelis, such as: • Obtaining adequate financing to fulfil the Company's development and commercial activities, • the risks associated with development and obtaining regulatory approvals of the Company's products, • generation of revenues in due course from the product portfolio and contract manufacturing, • attainment of profitable operations, • discount rate • probabilities applied to the revenues which also factors Stelis management's best estimate of possible delay in product development cycle and regulatory approvals.	The principal audit procedures performed by the Component auditor, among other procedures included: • Obtained an understanding of the Stelis Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the Stelis management's control around the impairment assessment. • Inquired with management of Stelis to understand the factors considered when performing the impairment assessment including the rationale for the events and circumstances considered based on strategic plans of the entity (business revenue projections), consideration of economic and industry matters and the factors considered regarding the overall value in use conclusion. • Evaluated the competence of the Stelis management's expert and the key assumptions considered in the Stelis management's estimates of future cash flows. • Involved independent valuation specialist to assist in evaluating methodologies, terminal growth rate, the discount rate applied, which included benchmarking the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and considering Company specific factors and other key assumptions considered in the calculations; • Compared the historical cash flows (including for current year) against past projections of Stelis management for the same periods and gained understanding of the rationale for the changes. • Involved valuation specialists to evaluate the discount rate used in the calculations; • Compared the historical cash flows (including for current year) against past projections of Stelis management for the same periods and gained understanding of the rationale for the changes; • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as revenue growth during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. • Ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. • Tested the arithmetical accuracy of the computations. • Assessed the accounting principles applied by the Company and adequacy of disclosures in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.

Impairment testing (as reported by component auditor for one of the associate)

Refer Significant Accounting Policies and notes 9(i) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The management of Stelis (an associate of the Group) has assessed the impairment of carrying value of assets relating to Unit 3 - Multimodal facility as at March 31, 2023. The management of Stelis has involved external specialist to carry out impairment assessment. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. It is considered to be a key focus area by the component auditor because of the significance of the balance and the significant estimates, judgements and assumptions involved in impairment assessment by the management of Stelis, such as: • Generation of revenues in due course from the multimodal facility, • attainment of profitable operations, • discount rate • terminal growth rate	The principal audit procedures performed by the Component auditor, among other procedures included: • Obtained an understanding of the Stelis Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the Stelis management's control around the impairment assessment; • Inquired with management of Stelis to understand the factors considered when performing the impairment assessment including the rationale for the events and circumstances considered based on strategic plans of the entity (business revenue projections), consideration of economic and industry matters and the factors considered regarding the overall value in use conclusion; • Evaluated the competence of the Stelis management's expert and the key assumptions considered in Stelis management's estimates of future cash flows. • Involved independent valuation specialist to assist in evaluating methodologies, terminal growth rate, the discount rate applied, which included benchmarking the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and considering Stelis specific factors and other key assumptions considered in the calculations. Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused the attention on those assumptions that were considered most sensitive to the changes; such as revenue growth during the forecast period, the discount rate applied to the future cash flows and terminal growth rate; • Ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring; • Tested the arithmetical accuracy of the computations; • Assessed the accounting principles applied by Stelis and adequacy of disclosures in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company, its subsidiary companies and associate companies incorporated in India and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

a. We did not audit the financial information of 5 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 36,026 Million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 23,194 Million and net cash flows (before consolidation adjustments) amounting to ₹ 910 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income)of ₹ 2,744 Million for the year ended 31 March 2023, in respect of an associate, whose financial information has not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The financial information of 28 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 37,321 Million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 4,046 and net cash outflows (before consolidation adjustments) amounting to ₹ 59 Million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive loss) of ₹ 108 Million for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 10 associates and a joint venture, whose financial information have not been audited by us or by other auditors. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial information of such subsidiaries and associates as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies and associate companies incorporated in India as on 31 March 2023 taken on record by the Board of Directors of the Holding Company, its subsidiary companies and associate companies incorporated in India and the reports of the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of the Group companies and its associates companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial information of the subsidiaries and associates, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 42 to the consolidated financial statements.

   b. The Group, its associates and joint venture did not have any material foreseeable losses on long- term contracts including derivative contracts during the year ended 31 March 2023. Refer note 57 to the consolidated financial statements.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023. Further there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the subsidiary companies and associate companies incorporated in India during the year ended 31 March 2023.

d (i) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiary companies, associate companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiary companies, associate companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been received by the Holding Company, its subsidiary companies, associate companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies, associate companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The dividend declared during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies, associate companies and a joint venture companies incorporated in India have neither declared or paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We refer to Note 11(ii) of the consolidated financial statements which more fully explains the decision of the Board of Directors to recover the excess remuneration paid to the Company's erstwhile Managing Director and Chief Executive Officer and corresponding in the previous year. Accordingly, the company continues to have a recoverable balance of ₹ 141.90 Million as at 31 March 2023 in accordance with the requirements of Section 197 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, having regard to the aforesaid note and based on the reports of the statutory auditors and representations from management of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:23060573BGYNDQ6783

Place: Bengaluru
Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the consolidated financial statements of Strides Pharma Science Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sl. No.	Name of the entities	CIN	Holding Company/ Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Vivimed Life Sciences Private Limited	U24304MH2017PTC348859	Subsidiary	(vii), (xvii)
2	Stelis Biopharma Limited	U74140KA2007PLC043095	Associate	(iii)(c), (iii)(d), (ix)(a), (xvii), (xix)
3	Strides Pharma Science Limited	L24230MH1990PLC057062	Holding Company	(i)(c)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate
Arco Lab Private Limited	U74999KA2018PTC115573	Subsidiary
Biolexis Private Limited	U24239KA2022PTC156696	Associate
Neviton Softech Private Limited	U72300KA2010PTC127671	Associate
Strides Pharma Services Private Limited	U74140KA2022PTC163606	Subsidiary

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:23060573BGYNDQ6783

Place: Bengaluru
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Strides Pharma Science Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Strides Pharma Science Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and its associate companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial information of subsidiary company and associate company, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company and associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter(s)

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial information insofar as it relates to 2 subsidiary companies and 2 associate companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies and associate companies are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:23060573BGYNDQ6783

Place: Bengaluru
Date: 25 May 2023

Consolidated Balance Sheet
as at March 31, 2023

₹ In Million

	Note No.	31-Mar-23	31-Mar-22
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4 (i)	11,397.40	12,815.29
(b) Capital work-in-progress	4 (ii)	482.59	562.29
(c) Right-of-use assets	5	1,845.53	1,758.86
(d) Investment property	6	125.79	131.73
(e) Goodwill	7	5,137.58	4,859.07
(f) Other intangible assets	8 (i)	4,603.68	3,901.33
(g) Intangible assets under development	8 (ii)	1,027.25	2,348.49
(h) Investment in associates and joint ventures	9(i)	3,859.19	5,355.55
(i) Financial assets			
(i) Investments	9(ii)	530.41	47.83
(ii) Loans	10(i)	-	30.00
(iii) Other financial assets	11(i)	408.63	450.80
(j) Deferred tax assets (net)	12	2,650.32	2,151.49
(k) Income tax assets (net)	13	1,616.96	1,622.76
(l) Other non-current assets	14(i)	265.26	104.82
Total non-current assets		**33,950.59**	**36,140.31**
II Current assets			
(a) Inventories	15	11,465.05	11,737.96
(b) Financial assets			
(i) Investments	9(iii)	508.40	-
(ii) Trade receivables	16	12,994.02	12,073.01
(iii) Cash and cash equivalents	17	3,035.01	1,707.30
(iv) Other balances with banks	18	124.62	166.22
(v) Loans	10(ii)	77.80	48.24
(vi) Other financial assets	11(ii)	917.80	5,915.28
(c) Other current assets	14(ii)	2,229.80	1,970.30
		31,352.50	**33,618.31**
(d) Assets classified as held for sale	40.4	1,081.11	-
Total current assets		**32,433.61**	**33,618.31**
TOTAL ASSETS		**66,384.20**	**69,758.62**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	903.03	897.90
(b) Other equity	20	21,219.55	22,694.38
Equity attributable to equity holders of the Company		**22,122.58**	**23,592.28**
Non- controlling interests	21	(393.75)	240.88
Total Equity		**21,728.83**	**23,833.16**
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22(i)		
- Borrowings U.S. revolver facility		5,671.99	4,487.74
- Borrowings others		5,725.93	3,868.49
(ii) Lease liabilities	5	2,036.74	1,864.67
(iii) Other financial liabilities	23(i)	120.51	571.78
(b) Provisions	24(i)	734.20	642.80
(c) Deferred tax liabilities (net)	12	445.71	357.19
(d) Other non-current liabilities	25(i)	18.28	16.04
Total non-current liabilities		**14,753.36**	**11,808.71**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22(ii)	16,346.67	19,563.37
(ii) Lease liabilities	5	514.39	465.98
(iii) Trade payables	26		
(a) total outstanding dues of micro enterprises and small enterprises and		169.38	326.75
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		9,654.05	10,388.49
(iv) Other financial liabilities	23(ii)	960.69	1,152.31
(b) Provisions	24(ii)	1,224.92	1,226.23
(c) Current tax liabilities (net)	27 (ii)	267.11	238.11
(d) Other current liabilities	25(ii)	764.80	755.51
Total current liabilities		**29,902.01**	**34,116.75**
Total liabilities		**44,655.37**	**45,925.46**
TOTAL EQUITY AND LIABILITIES		**66,384.20**	**69,758.62**

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Bengaluru, May 25, 2023

Consolidated Statement of Profit and Loss
for the year ended March 31, 2023

₹ In Million

	Note No.	31-Mar-23	31-Mar-22
A. Continuing operations:			
I Revenue from operations	28	36,883.87	30,702.50
II Other income	29	903.28	1,319.88
III Total Income (I+II)		**37,787.15**	**32,022.38**
IV Expenses			
(a) Cost of materials consumed		14,416.81	10,909.32
(b) Purchases of stock-in-trade		1,878.70	3,161.06
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(26.66)	952.79
(d) Employee benefits expense	31	7,320.23	6,469.09
(e) Finance costs	32	2,611.42	1,767.44
(f) Depreciation and amortisation expense	33	2,432.52	2,330.14
(g) Other expenses	34	8,992.98	9,411.30
Total Expenses (IV)		**37,626.00**	**35,001.14**
V Profit / (loss) before exceptional items and tax (III - IV)		**161.15**	**(2,978.76)**
VI Exceptional items gain/ (loss) (net)	35	(170.32)	(2,438.25)
VII Profit / (loss) before tax (V + VI)		**(9.17)**	**(5,417.01)**
VIII Share of loss of joint ventures and associates	54	(2,852.83)	(1,108.12)
IX Profit / (loss) before tax (VII + VIII)		**(2,862.00)**	**(6,525.13)**
X Tax expense:	36		
(a) Current tax		(316.97)	(1,504.40)
(b) Deferred tax		(236.04)	(278.23)
Total tax expense (X)		**(553.01)**	**(1,782.63)**
XI Profit /(loss) after tax from continuing operations (IX - X)		**(2,308.99)**	**(4,742.50)**
B. Discontinued operations	40		
(i) Loss from discontinued operations		-	-
(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		185.69	-
(iii) Tax expense of discontinued operations		-	-
XII Profit / (loss) after tax from discontinued operations		**185.69**	**-**
XIII Profit / (loss) for the year (XI + XII)		**(2,123.30)**	**(4,742.50)**
XIV Other comprehensive income	37		
A (i) Items that will not be reclassified to statement of profit and loss		(542.17)	(86.64)
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(25.88)	18.96
B (i) Items that may be reclassified to statement of profit and loss		647.70	560.86
(ii) Income tax relating to items that may be reclassified to statement of profit and loss		(0.49)	(3.19)
Total other comprehensive income for the year, net of tax (XIV)		**79.16**	**489.99**
XV Total comprehensive income for the year (XIII + XIV)		**(2,044.14)**	**(4,252.51)**
Profit / (loss) for the period attributable to:			
- Owners of the Company		(2,026.35)	(4,602.11)
- Non-controlling interests		(96.95)	(140.39)
		(2,123.30)	**(4,742.50)**
Other comprehensive income for the year			
- Owners of the Company		139.68	477.04
- Non-controlling interests		(60.52)	12.95
		79.16	**489.99**
Total comprehensive income for the year			
- Owners of the Company		(1,886.67)	(4,125.07)
- Non-controlling interests		(157.47)	(127.44)
		(2,044.14)	**(4,252.51)**
Earnings per equity share (of ₹ 10/- each) (for continuing operations):	48		
(1) Basic		(24.56)	(51.28)
(2) Diluted		(24.56)	(51.28)
Earnings per equity share (of ₹ 10/- each) (for discontinued operations):	48		
(1) Basic		2.07	-
(2) Diluted		2.07	-
Earnings per equity share (of ₹ 10/- each) (for total operations):	48		
(1) Basic		(22.49)	(51.28)
(2) Diluted		(22.49)	(51.28)

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Bengaluru, May 25, 2023

Consolidated Statement of Changes in Equity
for the year ended March 31, 2023

A) Equity share capital

₹ In Million

Particulars	Notes	Amount
Balance as at April 1, 2021		**896.81**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2021		**896.81**
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	45	1.09
Balance as at March 31, 2022		**897.90**
Changes in equity share capital due to prior period errors		-
Restated balance as at March 31, 2022		**897.90**
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	45	0.60
Shares issued pursuant to conversion of share warrants		4.53
Balance as at March 31, 2023		**903.03**

B) Other equity

₹ In Million

			Reserves and Surplus							Items of other comprehensive income							
	Notes	Share application money pending allotment	Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (asset)	Money received against share warrants	Equity attributable to owners of the Company	Non- controlling interests	Total
Balance as at April 1, 2021		-	214.84	17,272.67	601.61	47.20	(4,063.14)	4,015.69	4,849.50	(598.77)	(197.39)	4,887.43	(159.84)	-	26,869.80	373.41	27,243.21
Profit for the year		-	-	-	-	-	-	-	(4,602.11)	-	-	-	-	-	(4,602.11)	(140.39)	(4,742.50)
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(73.37)	139.79	404.93	5.69	-	477.04	12.95	489.99
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,602.11)**	**(73.37)**	**139.79**	**404.93**	**5.69**	**-**	**(4,125.07)**	**(127.44)**	**(4,252.51)**
Pursuant to business combinations	39	-	123.60	-	-	-	-	-	-	-	-	-	-	-	123.60	-	123.60
Pursuant to acquisition of non-controlling interest in subsidiary	39	-	2.56	-	-	-	-	-	-	-	-	-	-	-	2.56	(2.56)	-
Receipt of share application money		4.06	-	-	-	-	-	-	-	-	-	-	-	-	4.06	-	4.06
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(224.31)	-	-	-	-	-	(224.31)	-	(224.31)
Issue of shares on exercise of stock options	45	-	-	49.21	-	(18.18)	-	-	-	-	-	-	-	-	31.03	-	31.03
Transferred to general reserve on stock options lapse		-	-	-	-	(21.27)	-	21.27	-	-	-	-	-	-	-	-	-
Employee stock compensation expenses	45	-	-	-	-	12.71	-	-	-	-	-	-	-	-	12.71	-	12.71
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.53)	(2.53)
Balance as at March 31, 2022		**4.06**	**341.00**	**17,321.88**	**601.61**	**20.46**	**(4,063.14)**	**4,036.96**	**23.08**	**(672.14)**	**(57.60)**	**5,292.36**	**(154.15)**	**-**	**22,694.38**	**240.88**	**22,935.26**

Consolidated Statement of Changes in Equity
for the year ended March 31, 2023

₹ In Million

			Reserves and Surplus							Items of other comprehensive income							
	Notes	Share application money pending allotment	Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (asset)	Money received against share warrants	Equity attributable to owners of the Company	Non- controlling interests	Total
Profit for the year		-	-	-	-	-	-	-	(2,026.35)	-	-	-	-	-	(2,026.35)	(96.95)	(2,123.30)
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(627.90)	45.18	662.55	59.85	-	139.68	(60.52)	79.16
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,026.35)**	**(627.90)**	**45.18**	**662.55**	**59.85**	**-**	**(1,886.67)**	**(157.47)**	**(2,044.14)**
Pursuant to business combinations	39	-	16.27	-	-	-	-	-	-	-	-	-	-	-	16.27	-	16.27
Pursuant to loss of non-controlling interest	40.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(496.37)	(496.37)
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	371.00	371.00	-	371.00
Issue of shares on exercise of stock options	45	(4.06)	-	27.15	-	(10.02)	-	-	-	-	-	-	-	-	13.07	-	13.07
Issue of shares on conversion of share warrants		-	-	195.47	-	-	-	-	-	-	-	-	-	(200.00)	(4.53)	-	(4.53)
Transferred to general reserve on stock options lapse		-	-	-	-	(3.30)	-	3.30	-	-	-	-	-	-	-	-	-
Employee stock compensation expenses	45	-	-	-	-	16.03	-	-	-	-	-	-	-	-	16.03	-	16.03
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.21	19.21
Balance as at March 31, 2023		**-**	**357.27**	**17,544.50**	**601.61**	**23.17**	**(4,063.14)**	**4,040.26**	**(2,003.27)**	**(1,300.04)**	**(12.42)**	**5,954.91**	**(94.30)**	**171.00**	**21,219.55**	**(393.75)**	**20,825.80**

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

Sampad Guha Thakurta
Partner
Membership Number 060573

Bengaluru, May 25, 2023

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Consolidated Statement of Cash Flow
for the year ended March 31, 2023

₹ In Million

		31-Mar-23	31-Mar-22
Cash flow from operating activities			
Profit / (loss) before tax from:			
Continuing operations		(2,862.00)	(6,525.13)
Discontinued operations		185.69	-
		(2,676.31)	**(6,525.13)**
Adjustments for:			
- Depreciation and amortisation expense		2,432.52	2,330.14
- Share of loss of joint ventures and associates		2,852.83	1,108.12
- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)		(41.07)	(112.47)
- Share based compensation expense		13.01	(7.09)
- Unwinding/ cancellation of gross obligations and contingent consideration		(568.59)	(11.27)
- Interest expense on borrowings and others		2,611.42	1,767.44
- Interest and dividend income		(745.28)	(1,076.15)
- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 40)		(185.69)	-
- Rental income from investment property		(19.00)	(60.33)
- Liability / provision no longer required written back		(8.40)	-
- Bad debts written off / provision for doubtful trade and other receivables		344.17	1.78
- Write down of other assets		330.40	46.76
- Impairment and cost associated with disposal of facility (Refer note 35)		-	1,727.16
- Sales returns, write down of inventory and other expenses on account of product withdrawal		248.82	552.34
- Gain on sale of investment in associates / subsidiaries		-	(29.36)
- Dilution gain on loss of control / significant influence		(156.88)	-
- Gain on lease modifications		(17.20)	(18.73)
- Gain on dilution of investment in associate		(656.07)	(529.26)
- Loss on sale of business unit		-	154.37
- Realised exchange loss on deferred consideration		671.64	-
- Net unrealised exchange loss / (gain) (net)		(284.71)	(20.71)
Operating profit / (loss) before working capital changes		**4,145.61**	**(702.39)**
Changes in working capital			
Increase in trade and other receivables		(3,473.79)	(587.95)
(Increase) / Decrease in inventories		(81.38)	281.86
Decrease in trade and other payables		(1,022.78)	(1,592.95)
Net change in working capital		**(4,577.95)**	**(1,899.04)**
Cash utilised in operations		**(432.34)**	**(2,601.43)**
Income taxes refund received		876.45	23.28
Net cash flow generated from / (utilised in) operating activities	**A**	**444.11**	**(2,578.15)**
Cash flow from investing activities			
Capital expenditure for property, plant and equipment, investment property and intangible assets, including capital advance		(949.38)	(1,433.83)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		72.58	753.74
Short-term investments in funds		(508.19)	(540.61)
Purchase of long-term investments including investment in associates		(1,062.25)	(51.06)
Consideration paid towards acquisition of non-controlling interest in subsidiary and business combinations, net of cash acquired (Refer note 39)		-	(2,195.13)
Proceeds from sale of investment in mutual funds		-	1,545.05
Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash (Refer note 40)		182.22	127.30
Deferred consideration received from sale of business		5,193.08	-
Rent deposit given		(0.62)	(11.21)
Proceeds from / (investments in) fixed deposits with maturity of more than 3 months, net		9.26	488.54
Rental income from investment property		19.00	62.52
Interest and dividends received (net of tax on dividend)		69.04	67.36
Net cash flow generated from / (utilised in) investing activities	**B**	**3,024.74**	**(1,187.33)**

Consolidated Statement of Cash Flow
for the year ended March 31, 2023

₹ In Million

		31-Mar-23	31-Mar-22
Cash flow from financing activities			
Proceeds from issue of equity shares		13.67	36.18
Proceeds from issue of share warrants		371.00	-
Proceeds from long-term borrowings		3,304.00	4,506.57
Repayment of long-term borrowings		(2,550.17)	(2,681.26)
Net increase / (decrease) in working capital and short-term borrowings		(504.55)	4,564.32
Lease payments		(531.10)	(450.39)
Dividends paid (net of tax on dividend)		-	(224.31)
Interest paid on borrowings (Refer note (ii) below)		(2,242.06)	(1,537.95)
Net cash (utilised in) / generated from financing activities	**C**	**(2,139.21)**	**4,213.16**
Net increase in cash and cash equivalents	**(A+B+C)**	**1,329.64**	**447.68**
Cash and cash equivalents at the beginning of the year		1,707.30	1,258.34
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		1.46	1.28
Cash and cash equivalents pursuant to loss of control in a subsidiary		(3.39)	-
Cash and cash equivalents at the end of the year *		**3,035.01**	**1,707.30**
*** Comprises:**			
Cash on hand		2.68	2.71
Balance with banks:			
- In current accounts		573.11	1,573.41
- In deposit accounts		1,909.58	14.61
- Funds-in-transit		549.64	116.57
Total		**3,035.01**	**1,707.30**

Notes:

(i) The consolidated cash flow statement reflects the combined cash flows pertaining to continuing and discontinued operations. Refer note 40 for cash flows from discontinued operations.

(ii) Interest paid is inclusive of borrowing cost capitalised on property, plant and equipment ₹ Nil (Previous year ₹ 8.15 Million).

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Bengaluru, May 25, 2023

Manjula R.
Company Secretary
Membership Number A30515

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 01 General information

Strides Pharma Science Limited (the 'Company' or 'Strides') and its subsidiaries (together referred to as the 'Group') are into the development and manufacture of pharmaceutical products. The Group has its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703, with corporate office in Bengaluru, India and operates across many countries spreading across developed and emerging markets. Strides is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Note No. 02 Basis of preparation of consolidated financial statements

The Group has incurred loss of ₹ 2,309 Million for the year ended March 31, 2023 on account of significant losses incurred by its associate ('the Associate'). Further, as of March 31, 2023, the Group has provided guarantees aggregating to ₹ 11,213 Million (out of which ₹ 5,033 Million is outstanding as of March 31, 2023) in relation to the borrowings of the Associate.

Management of the Parent Company and of the subsidiaries who have not complied with certain financial covenants related to their respective borrowings have obtained temporary relaxations for compliance with those financial covenants from the lenders as of the date of the issue of financial statements. Management of the Associate has initiated discussions with its lenders seeking certain temporary relaxations for compliance with financial covenants related to its borrowings.

Further, to mitigate the situation, the Group has raised long-term and other financing facilities amounting to ₹ 3,304 Million during the year ended March 31, 2023 and has issued equity warrants to the entity which is part of the Promoter group that is expected to provide additional equity of ₹ 513 Million by March 31, 2024. The Group has cash and cash equivalents of ₹ 3,035 Million as at March 31, 2023 and also undrawn borrowing facilities available from certain lenders.

Accordingly, based on the fact that the Group had generated positive cash flows in the current year and expects to generate positive operating cash flows in future periods, returned to positive EBITDA in the current year, temporary relaxations from lenders for compliance with financial covenants related to borrowings, its ability to raise new financing facilities, expected equity infusion in the year ending March 31, 2024 and the steps undertaken by management as noted above, management believes that the Group will be able to continue to generate sufficient cash in the foreseeable future to meet its obligations as they fall due.

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated Ind AS financial statements ('consolidated financial statements') were approved for issue by the Company's Board of Directors on May 25, 2023.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (₹), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest Million, unless otherwise indicated. In respect of subsidiaries and associates whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligation; and
- Equity settled share based payments that are measured at fair value

2.4 Basis of consolidation

The consolidated financial statements includes the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12 Income Taxes.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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Refer note 50 for details of subsidiaries considered in these consolidated financial statements.

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

2.5.1 Judgements

"Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.5 — Revenue recognition: whether revenue from sale of product and services is recognised overtime or at a point of time;
- Note 5 — Whether an agreement contains a lease;
- Note 3.18 and 51 — Financial instruments;
- Note 3.12, 3.13 and 3.14— Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 46 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 3.11 and 42— Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets;
- Note 45 — Share based payments;
- Note 3.15 — Impairment testing for non financial assets.

2.5.2 Control over subsidiaries

The following entities are considered subsidiaries of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights in such entities:

Particulars	Proportion of ownership interest and voting power held by the Group	
	31-Mar-23	31-Mar-22
1. Universal Corporation Limited (Refer to note 40.4)	0%	51%
2. Trinity Pharma (Pty) Limited	51.76%	51.76%
3. Apollo Life Sciences Holdings (Pty) Limited	51.76%	51.76%

The management of the Group assessed whether or not the Group has control over the above mentioned entities based on whether the Group has the practical ability to direct the relevant activities of such entities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of such entities and therefore the Group has control.

2.6 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Note 12, 36 — taxation including deferred taxes;
- Note 28 — accruals for charge backs, rebates and sales returns;
- Note 11 — impairment of financial assets;
- Note 7, 9 — Impairment of non financial assets
- Note 42 — litigations

2.7 Operating cycle

As mentioned in para 1 above under Corporate information', the Group is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

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2.8 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

2.9 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 45 — share based payments;
- Note 6 — investment property
- Note 3.18 and 51 — financial instruments;

Note No. 03 Significant accounting policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace *share-based payment* arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 3.10.2); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the

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acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the

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carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.3 below.

3.3 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity

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method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.4 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.5 Revenue from contracts with customers

The Group recognises revenue to depict the transfer of control over promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

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Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3.5.1 Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Group in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Profit share revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue is an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Group uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Group, to the extent made available before the date the Company's Board of Directors authorises the issuance of its financial statements for the applicable period.

Sale to Distributors

The Group appoints distributors in various territories who purchases the goods from the Group and thereafter sells them in the territory. In case the distributor is acting as an agent, the Group defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Right to reject or return goods

The Group sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Free samples

The Group distributes free samples to distributors, at various exhibitions and at medical conferences. The cost of samples distributed at exhibitions, medical conferences or to doctors directly are treated as marketing expense and clubbed under "Business Promotion Expense". However, free samples given to distributors (that are not acting as agents) is recognised as cost of goods sold. In case the free

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samples are not delivered at the same time as the related sales consignment, a reliable provision is made in this regard.

Price Variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Report claims by the wholesalers / distributors and Price Protections

Chargebacks and report claims are estimated on the basis of the average trend of the past years and recognised as reduction to revenue.

3.5.2 Rendering of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

3.5.3 Royalty, sale of licenses and Intellectual property rights

The Group enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised over the term of the contract. Some of these arrangements include certain performance obligations by the Group. Revenue from such arrangements is recognised in the period in which the Group completes all its performance obligations.

3.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5.5 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 3.6.1 below.

3.5.6 Export and Production linked Incentives

Export and Production linked incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after 1 April 2019.

3.6.1 The Group as lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

3.6.2 The Group as lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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The Company's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises.

3.7 Foreign currencies transactions and translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), are recognised initially in other comprehensive income and reclassified from equity to statement of profit and loss on repayment of the monetary items. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, will be reclassified from equity to statement of profit and loss when the gain or loss on disposal is recognised.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.8 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period

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of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

3.9 Employee benefits

3.9.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid under short-term cash bonus, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.9.3 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

3.10 Share-based payment arrangements

3.10.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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3.10.2 Cash settled share-based payment transactions of the Company

The fair value of the amount payable to employees in respect of cash settled share based payments is recognised as an expense with the corresponding increase in liabilities, over the period during which the employees becoming unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the underlying options. Any changes in the liability are recognised in the statement of profit or loss.

3.10.3 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

3.11 Income Tax

Income tax expense represents the sum of the current tax payable and deferred tax. The company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.11.1 Current tax

"The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously."

3.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities

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are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11.2.1 Deferred Tax on Undistributed Earnings

When only a portion of undistributed earnings is remitted to the parent entity by its subsidiary, the parent recognises a deferred tax liability only for the portion of the undistributed earnings expected to be remitted in the foreseeable future.

3.11.2.2 Deferred Tax on Unrealised Profits

The intragroup elimination is made as a consolidation adjustment and not in the financial statements of any individual reporting entity. Therefore, the elimination will result in the creation of a temporary difference, as far as the group is concerned, between the carrying amount of the inventories in the consolidated financial statements and the tax base (assumed to be the carrying amount in the purchaser's individual financial statements). The deferred tax effects arising in respect of this temporary difference is recognised. The tax rate used while recognising the deferred tax balance arising from the elimination of unrealised profits on intragroup transactions is determined by reference to the tax rate in the purchaser's jurisdiction where the temporary difference will reverse.

3.12 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses (if any).

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The non refundable payments made with respect to Land taken on finance lease (where there is an option

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to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches	:	4 years
Mobile phones	:	3 years
Certain factory buildings	:	18 years

Freehold land is not depreciated.

Depreciation on property, plant and equipment of the Group's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

Building	:	20 years to 30 years
General plant and machinery	:	4 years to 20 years
Furniture and fixtures	:	5 years to 16 years
Office equipment	:	3 years to 6 years
Motor vehicles	:	8 years
Computers and data processing equipment	:	3 years to 6 years

Freehold land is not depreciated.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.13 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

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Investment properties are derecognised on disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. The gains or losses from the disposal of investment properties are determined as difference between the carrying amount of the investment properties and the net disposal proceeds and are recognised in the statement of profit or loss in the period in which it is disposed.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

3.14 Intangible assets

3.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses (if any).

3.14.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.14.5 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands : 5 years to 25 years

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Software Licenses : 5 years

Customer/supply contracts are amortised over the period of the contract or useful life, whichever is less.

Intangible assets with indefinite useful lives are not amortised and tested for impairment annually.

3.15 Impairment of assets

3.15.1 Impairment of financial assets:

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

3.15.2 Impairment of goodwill and investments in associates and joint ventures: Refer notes 3.2 and 3.3.

3.15.3 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.16 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials, stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads, wherever applicable

Stock-in trade: weighted average basis

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable

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value of work-in-progress is determined with reference to the selling prices of related finished products.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Before a provision is recognised company will recognise an impairment loss on the assets associated with that contract.

3.17.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.18 Financial instruments

3.18.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss. however, trade receivables that do not contain significant financing component are measured at transaction price.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments in Outlook Therapeutics Inc. and Sonnet Biotherapeutics Holdings Inc. which is not held for trading.

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Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Offering

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised."

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.18.2 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

3.18.3 Financial guarantee contracts

The Company enters into financial guarantee contracts with its subsidiaries and associates. At the inception of a financial guarantee contract, a liability is recognised initially at fair value and then subsequently at the higher of the estimated loss and amortised cost, the changes in subsequent measurement being recognised in the statement of profit and loss. Where a guarantee is issued for a consideration, a financial asset of an amount equal to the liability is initially recognised at amortised cost. Where a guarantee is issued for no consideration, the fair value is recognised as additional investment in the entity to which the guarantee relates.

3.18.4 Derivative financial instruments and hedge accounting

The Group uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the statement of profit and loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the statement of profit and loss.

b) Fair value hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of profit and loss over the period of maturity.

3.18.5 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'Other income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to statement of profit and loss on the disposal of the foreign operation.

3.18.6 Written put options issued to the non-controlling interests:

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on initial recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

Subsequent measurement:

The liability is subsequently accreted through finance charges recognised under exceptional items in the statement of profit and loss upto the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.19 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items are disclosed as exceptional items.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

3.20 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash at banks, demand deposits and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.21 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the adjusted profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

3.22 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

3.23 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Reference to Conceptual Framework

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 – Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its standalone financial statements.

Notes

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Note No. 04(i) Property, plant and equipment

₹ In Million

Particulars	Gross block							Accumulated depreciation						Net block	
	As at April 1, 2022	Effects of foreign currency exchange differences and / or regroupings	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 39	Derecognised on disposal of business as referred in note 40	As at March 31, 2023	As at April 1, 2022	Effects of foreign currency exchange differences and / or regroupings	Depreciation for the year	Eliminated on disposals of assets	Eliminated on disposal of a business referred in note 40	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Freehold Land	1,332.95	28.59	-	-	-	-	1,361.54	-	-	-	-	-	-	1,361.54	1,332.95
	991.54	*(0.28)*	-	-	*341.69*	-	*1,332.95*	-	-	-	-	-	-	*1,332.95*	*991.54*
Leasehold Land	49.86	0.03	-	-	-	1.68	48.21	-	-	-	-	0.75	(0.75)	48.96	49.86
	49.86	-	-	-	-	-	*49.86*	-	-	-	-	-	-	*49.86*	*49.86*
Buildings	4,205.32	180.46	0.89	0.24	-	542.90	3,843.53	727.28	26.03	202.91	0.18	160.09	795.95	3,047.58	3,478.04
	2,856.64	*9.63*	*44.50*	*0.19*	*1,301.44*	*6.70*	*4,205.32*	*570.29*	*(2.10)*	*165.73*	*0.02*	*6.62*	*727.28*	*3,478.04*	*2,286.35*
Plant and equipments	11,397.49	368.63	443.98	191.17	-	1,059.61	10,959.32	4,075.05	110.70	985.53	142.12	526.36	4,502.80	6,456.52	7,322.44
	9,858.73	*105.10*	*1,017.53*	*83.17*	*499.30*	-	*11,397.49*	*3,153.92*	*11.52*	*960.75*	*51.14*	-	*4,075.05*	*7,322.44*	*6,704.81*
Furniture and fixtures	334.64	9.51	14.98	2.29	-	19.44	337.40	183.51	3.88	37.26	1.53	10.05	213.07	124.33	151.13
	314.04	*3.17*	*25.48*	*0.23*	-	*7.82*	*334.64*	*151.20*	*0.80*	*38.85*	*0.09*	*7.25*	*183.51*	*151.13*	*162.84*
Vehicles	64.39	2.08	2.95	7.92	-	16.81	44.69	32.46	1.15	5.80	2.54	14.69	22.18	22.51	31.93
	72.94	*(0.01)*	*11.60*	*20.14*	-	-	*64.39*	*37.36*	*(0.17)*	*8.26*	*12.99*	-	*32.46*	*31.93*	*35.58*
Office equipments	1,245.22	22.52	42.04	64.91	-	47.48	1,197.39	796.28	16.81	143.29	54.85	40.10	861.43	335.96	448.94
	1,018.55	*5.90*	*242.33*	*18.16*	-	*3.40*	*1,245.22*	*560.86*	*3.76*	*250.53*	*15.47*	*3.40*	*796.28*	*448.94*	*457.69*
Total	18,629.87	611.82	504.84	266.53	-	1,687.92	17,792.08	5,814.58	158.57	1,374.79	201.22	752.04	6,394.68	11,397.40	12,815.29
Previous year	15,162.30	123.51	1,341.44	121.89	2,142.43	17.92	18,629.87	4,473.63	13.81	1,424.12	79.71	17.27	5,814.58	12,815.29	

Notes:

(i) Figures in italics relates to previous year.

(ii) The above assets, other than to the extent mentioned in notes (iii), are owned by the Group.

(iii) In 2008, the Group had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land under a lease cum sale agreement. The Group is in the process of transferring the said land in its name.

(iv) Refer note 22 for details of property, plant and equipment pledged as security towards borrowings.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 04(ii) Capital-Work-in Progress (CWIP)

CWIP Movement

₹ In Million

Particulars	Opening Balance	Additions	Deletions/ Transfers	Effects of foreign currency exchange differences	Eliminated on disposal of a businesses referred in note 40	Closing Balance
Capital-Work-in Progress current year	562.29	386.37	(441.49)	17.39	(41.97)	482.59
Capital-Work-in Progress previous year	2,276.02	1,541.75	(3,305.70)	50.22	-	562.29

Capital-Work-in Progress (CWIP) ageing schedule

₹ In Million

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on March 31, 2023					
Projects in progress	234.65	233.30	8.26	6.38	482.59
Projects temporarily suspended	-	-	-	-	-
As on March 31, 2022					
Projects in progress	464.76	48.15	41.11	8.27	562.29
Projects temporarily suspended	-	-	-	-	-

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

Notes

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Note No. 05 Leases

The Company has taken office spaces and warehouses on Lease, consisting of land and building. The leases typically run for period of 5 to 7 years with an option to renew at the end of original/initial lease period.

(i) Right-of-use assets

₹ In Million

Particulars	Gross block						Accumulated depreciation						Net block	
	As at April 1, 2022	Effects of foreign currency exchange differences and regroupings	Additions during the year	De-recognition	Derecognised on disposal of business as referred in note 40	As at March 31, 2023	As at April 1, 2022	Effects of foreign currency exchange differences and regroupings	Amortisation for the year	De-recognition	Eliminated on disposal of a businesses referred in note 40	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Buildings	2,318.80	126.52	392.44	(172.69)	(84.32)	2,580.75	559.94	26.12	337.64	(172.69)	(15.79)	735.22	1,845.53	1,758.86
	2,481.86	*68.57*	*598.19*	*(829.82)*	-	*2,318.80*	*452.08*	*10.73*	*293.15*	*(196.02)*		*559.94*	*1,758.86*	*2,029.78*
Office equipments	87.99	-	-	-	-	87.99	87.99	-	-	-	-	87.99		-
	87.99	-	-	-	-	*87.99*	*87.99*	-	-	-		*87.99*	-	-
Total	**2,406.79**	**126.52**	**392.44**	**(172.69)**	**(84.32)**	**2,668.74**	**647.93**	**26.12**	**337.64**	**(172.69)**	**(15.79)**	**823.21**	**1,845.53**	**1,758.86**
Previous year	**2,569.85**	**68.57**	**598.19**	**(829.82)**	**-**	**2,406.79**	**540.07**	**10.73**	**293.15**	**(196.02)**	**-**	**647.93**	**1,758.86**	

(ii) Lease Liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Current	514.39	465.98
Non- Current	2,036.74	1,864.67
	2,551.13	**2,330.65**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

(iii) Amounts recognised in the statement of profit or loss

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Amortisation Charge of Right-Of-Use asset		
Buildings	337.64	293.15
Total Depreciation	**337.64**	**293.15**
Less: Capitalised	-	(10.03)
Net Depreciation charged to statement of profit and loss	337.64	283.12
Interest Expense (Included in Finance Cost)	198.14	176.62
Less: Interest capitalised	-	(8.15)
Net Interest charged to statement of profit and loss	**198.14**	**168.47**
Other Income on account of lease modification	17.20	18.73
Other expenses relating to leases, not included in lease payments	144.02	80.89

(iv) Total Cash outflow

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Buildings	531.10	450.39
	531.10	**450.39**

Note No. 06 Investment property

₹ In Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Depreciation for the year	Eliminated on disposals of assets	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	31.31	-	-	31.31	-	-	-	-	31.31	31.31
	147.27	-	*115.96*	*31.31*	-	-	-	-	*31.31*	*147.27*
Building	110.45	0.95	-	111.40	10.03	6.89	-	16.92	94.48	100.42
	820.68	-	*710.23*	*110.45*	*285.60*	*25.59*	*301.16*	*10.03*	*100.42*	*535.08*
Total	**141.76**	**0.95**	**-**	**142.71**	**10.03**	**6.89**	**-**	**16.92**	**125.79**	**131.73**
Previous year	**967.95**	**-**	**826.19**	**141.76**	**285.60**	**25.59**	**301.16**	**10.03**	**131.73**	

Notes:

(i) Figures in italics relates to previous year.

(ii) Details of assets given under an operating lease:

₹ In Million

Particulars	Gross block		Net block	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Freehold Land	31.31	31.31	31.31	31.31
Buildings	103.68	102.73	91.30	96.84
Total	**134.99**	**134.04**	**122.61**	**128.15**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

(iii) Details of assets held by Trust and for capital appreciation and not given under lease:

₹ In Million

Particulars	Gross block		Net block	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Buildings	7.72	7.72	3.18	3.58
Total	**7.72**	**7.72**	**3.18**	**3.58**

(iv) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2023 has been arrived at ₹ 950.60 Million (previous year: ₹ 949.00 Million) on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The fair value has been categorised as level 3 hierarchy based on the inputs used in valuation technique. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(v) Refer note 22 for details of investment properties pledged as security towards borrowings.

(vi) During the previous year the Company has sold an investments property with a net book value of ₹ 525.03 Million for a total consideration of ₹ 630.00 Million.

(vii) Amounts recognised in profit or loss for investment properties

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Rental income	15.94	60.33
Gain on sale of investment property	-	104.97
Depreciation expense	(6.89)	(25.59)
Profit from investment properties	**9.05**	**139.71**

Note No. 07 Goodwill

₹ In Million

Particulars	As at April 1, 2022	Effects of foreign currency exchange differences	Acquisition through business combinations	Derecognised on disposal of business	As at March 31, 2023
Goodwill	4,859.07	278.51	-	-	5,137.58
Previous year	*4,805.40*	*80.48*	-	*(26.81)*	*4,859.07*

Notes:

(i) Figures in italics relates to previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

(ii) Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- United States of America (USA)
- Other regulated markets
- Emerging markets

The carrying amount of goodwill are allocated to cash-generating units as follows:

₹ In Million

Cash generating units	31-Mar-23	31-Mar-22
United States of America (USA)	3,307.07	3,143.22
Other regulated markets	1,440.39	1,355.45
Emerging markets	390.12	360.40
Total	**5,137.58**	**4,859.07**

The recoverable amount of the above cash generating units have been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of each cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate. Key assumptions used for determining the said value in use of each cash generating unit is as follows:

₹ In Million

Key Assumptions	USA	Other regulated markets	Emerging Markets
Discount Rate	11.85% - 18.58%	10.63% - 16.9%	13.70%
Growth Rate (used for determining Terminal Value)	2%- 5%	2% - 5%	3%

The discount rates used are based on weighted average cost of capital.

The growth rates of the above cash generating units have been considered based on the market conditions prevalent in the countries that would fall in respective cash generating units.

The management believes that the projections used by the management for determining the "value in use" of cash generating units reflect past experience and external sources of information and any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

An analysis of the sensitivity of the computation to the change in key parameters (discount rate, profitability and growth rate), based on reasonable assumptions, did not identify any reasonably possible scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 08 (i). Other intangible assets

₹ In Million

Particulars	Gross block								Accumulated depreciation							Net block	
	As at April 1, 2022	Effects of foreign currency exchange differences	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 39	Derecognised on disposal of business as referred in note 40	Classified as Held for sale as referred in note 39.3.1	As at March 31, 2023	As at April 1, 2022	Effects of foreign currency exchange differences	Amortisation for the year	Eliminated on disposals of assets	Eliminated on disposal of a business referred in note 40	Classified as Held for sale as referred in note 39.3.1	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
- Internally generated:																	
- Registration and brands	775.75	-	22.53	-	-	-	-	798.28	366.60	-	34.79	-	-	-	401.39	396.89	409.15
	659.29	*-*	*116.46*	*-*	*-*	*-*	*-*	*775.75*	*309.62*	*-*	*56.98*	*-*	*-*	*-*	*366.60*	*409.15*	*349.67*
- Others:																	
- Registration and brands	3,697.12	106.38	1,632.74	63.08	-	408.81	17.06	4,947.29	1,076.67	106.14	466.91	61.15	177.67	4.65	1,406.25	3,541.04	2,620.45
	3,383.30	*202.65*	*51.51*	*18.80*	*189.83*	*111.37*	*-*	*3,697.12*	*730.79*	*97.92*	*286.97*	*1.08*	*37.93*	*-*	*1,076.67*	*2,620.45*	*2,652.51*
- Customer / Supply Contracts	812.85	(7.63)	18.01	-	-	86.54	-	736.69	272.50	(3.23)	80.29	-	46.51	-	303.06	433.63	540.35
	807.65	*4.95*	*0.25*	*-*	*-*	*-*	*-*	*812.85*	*185.39*	*2.24*	*84.87*	*-*	*-*	*-*	*272.50*	*540.35*	*622.26*
- Software licenses	1,135.48	24.23	23.94	1.96	-	14.14	-	1,167.55	804.10	13.52	131.21	1.83	11.57	-	935.43	232.12	331.38
	1,024.99	*8.64*	*142.87*	*12.13*	*-*	*28.89*	*-*	*1,135.48*	*661.99*	*5.46*	*168.49*	*3.65*	*28.19*	*-*	*804.10*	*331.38*	*363.00*
Total	**6,421.20**	**122.98**	**1,697.22**	**65.04**	**-**	**509.49**	**17.06**	**7,649.81**	**2,519.87**	**116.43**	**713.20**	**62.98**	**235.75**	**4.65**	**3,046.13**	**4,603.68**	**3,901.33**
Previous year	**5,875.23**	**216.24**	**311.09**	**30.93**	**189.83**	**140.26**	**-**	**6,421.20**	**1,887.79**	**105.62**	**597.31**	**4.73**	**66.12**	**-**	**2,519.87**	**3,901.33**	

Notes:

(i) Figures in italics relates to previous year.

(ii) Refer note 22 for details of other intangible assets pledged as security towards borrowings.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 08 (ii). Intangible assets under development

Intangible assets under development Movement

₹ In Million

Particulars	Opening Balance	Additions	Deletions/ Transfers	Effects of foreign currency exchange differences	Eliminated on disposal of a businesses referred in note 40	Classified as held for sale as referred in note 40.4	Closing Balance
Intangible assets under development during current year	2348.49	271.18	(1,893.00)	331.31	(28.73)	(2.00)	1027.25
Intangible assets under development during previous year	2172.27	646.43	(660.40)	190.19	-	-	2348.49

Intangible assets under development aging schedule

₹ In Million

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on March 31, 2023					
Projects in progress	277.39	216.86	163.43	369.57	1,027.25
Projects temporarily suspended	-	-	-	-	-
As on March 31, 2022					
Projects in progress	462.47	244.16	1,095.94	545.92	2,348.49
Projects temporarily suspended	-	-	-	-	-

There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

Note No. 09 Investments

Investments consist of the following:

(i) Investment in associates and joint ventures

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(A) Investments in associates under equity method*:		
Equity shares, unquoted		
- 12,929,220 (As at March 31, 2022: 11,089,320) shares of ₹ 1 each fully paid up in Stelis Biopharma Limited, India (Refer note (a,b,c and d) below)	3,026.47	4,558.44
- Nil (As at March 31, 2022: 1,839,900) shares of ₹ 1 each partly paid up in Stelis Biopharma Limited, India (Refer note (d) below)	-	51.06
- 342 (As at March 31, 2022: 342) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	-	-
- Nil (As at March 31, 2022: 21,833,626) shares of USD 1 each fully paid up in Strides Global Consumer Healthcare Limited, UK (Refer note (e) below)	-	664.03
- 2,780 (As at March 31, 2022: Nil) shares of ₹ 10 each fully paid up in Neviton Softech Private Limited, India (Refer note (f) below)	109.72	-
- 92,946 (As at March 31, 2022: Nil) shares of Kenyan Shilling 1000 each in Universal Corporation Limited, Kenya (Refer note 40.4)	640.65	-
Preference shares, unquoted		
- 3,734,074 (As at March 31, 2022: 3,734,074) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA	81.99	81.99
Less: Provision for diminution in value of investments	(81.99)	(81.99)

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₹ In Million

Particulars	31-Mar-23	31-Mar-22
Total [A]	3,776.84	5,273.53
(B) Investments in joint ventures under equity method*:		
Equity shares, unquoted		
- 2,450,000 (As at March 31, 2022: 2,450,000) shares of USD 1 each in Sihuan Strides (HK) Limited, Hong Kong	82.35	82.02
Total [B]	82.35	82.02
Total [A+B]	3,859.19	5,355.55
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	3,859.19	5,355.55
Aggregate amount of impairment in value of investments	81.99	81.99

*The amount is net of gain / loss recognised

Notes:

(a) During the year ended March 31, 2023, Stelis Biopharma Limited (Stelis) has incurred loss of ₹ 7,998 Million and has a net negative working capital position amounting to ₹ 6,368 Million, which includes the current maturities of non-current borrowings of ₹ 3,079 Million as of March 31, 2023. The significant loss for the current year has been on account of continuing operating losses, impairment of certain intangibles under development, provisions recorded for write down of certain inventories and advances.

During the year, Stelis had inventories relating to Sputnik V, which remained unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF) and accordingly has recorded a provision for these inventories towards obsolescence.

Stelis is expected to grow the business of Contract Development and Manufacturing Operations (CDMO) further during the year. During the current financial year, Stelis's facility in Bengaluru has successfully completed inspection by several regulators including EMA and USFDA and one of its customer has also recently received approval from USFDA for a product filed from the site.

Stelis has requested for temporary relaxations for compliance with the financial covenants from the lenders for fiscal 2022 and 2023 as these have not been met as of the date of these financial results. However, during the year ended March 31, 2023, the shareholders have infused ₹ 7,102 Million by subscribing towards call against the partly paid-up shares, rights issues and as intercorporate debt.

Stelis has received letter of support from one of its shareholders who have committed to extend the necessary financial support. Stelis is exploring various fund raising options including refinancing of debts and currently has received certain term sheets from investors / lenders which are being negotiated. Stelis is also exploring options to monetise some of its assets. Stelis management believes they will be able to finalise these arrangements over the next two quarters to enable it to repay the borrowings due and meet all its other obligations as they fall due. Given the mitigating factors discussed above, Stelis has concluded that it will be able to generate/ raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate.

Based on the valuation carried by Stelis, as mentioned under point (b)(i) and (b)(ii), the Group has assessed that there is no impairment for investment held in Stelis

(b) (i) The Management of Stelis Biopharma Limited (Stelis) have performed annual impairment assessment of the carrying value of the non-current assets of the Cash Generating Unit (CGU) (which included the CDMO business and intangible assets under development) as at March 31, 2023. The “”value in use”” of the CGU has been determined by the external valuation experts using discounted cash flow approach. Based on such valuation, the management of Stelis has assessed that

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there is no impairment except as mentioned in note (a) above.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- obtaining adequate financing to fulfil the Company's development and commercial activities,
- the risks associated with research, development and obtaining regulatory approvals of the Company's products,
- generation of revenues in due course from the development portfolio and contract manufacturing,
- attainment of profitable operations and
- discount factors

The expected cash flows used in computation of value in use are based on the probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.

Further, the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value is given below:

- Increase in discount rate by 17.46%
- Increase in discount rate by 15.45% and nil terminal growth rate.

(b) (ii) Considering the current geopolitical situation between Russia and Ukraine and the subsequent sanctions enforced on Russia, the Management of Stelis have performed annual impairment assessment of the carrying value of the assets of the Cash Generating Unit (CGU) (which included the Vaccine facility) as at March 31, 2023. The "value in use" of the CGU has been determined by the external valuation experts using discounted cash flow approach. Based on such valuation, the management of Stelis has assessed that there is no impairment except as mentioned in note (a) above.

Determination of value in use involves significant estimates and assumptions that affect the Vaccine facility's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- generation of revenues in due course from the Vaccine plant and contract manufacturing,
- attainment of profitable operations,
- discount rate and
- terminal growth rate

The expected cash flows used in computation of value in use are based on the probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.

Further, the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value is given below:

- Increase in discount rate by 12.7%
- Increase in discount rate by 10.50% and nil terminal growth rate

(c) During the previous year, pursuant to the recommendation of the Board of Directors of Stelis on July 9, 2021 and approval of Members at the extraordinary general meeting held on July 14, 2021, Stelis has allotted Bonus Equity Shares in the ratio of 1:2 i.e., one bonus share for every two shares held in Stelis as on July 9, 2021.

Further, pursuant to the approval obtained on July 14, 2021 from shareholders of Stelis, each equity share of ₹ 10 each was subdivided into 10 equity shares of ₹ 1 each.

(d) During the financial year 2020-21, the Group approved the investment of ₹ 1,021.14 Million into Stelis, in multiple tranches. Accordingly, 5% of the approved investment value and 95% of the approved investment value was invested into Stelis during the previous year and the current year respectively.

(e) During the year, the Group, to enable its associate, Strides Global Consumer Healthcare Limited (CHC), to raise additional capital from other investors to fund its growth, decided to dilute its equity holding. Consequently, in accordance with the revised agreement with other investors the Group reduced its equity holding to 19%. Pursuant to the such amended agreement the Group has no longer any representation on the board of CHC. These changes required the Group to re-evaluate its accounting for investment in CHC. Pursuant to these amendments, the Group concluded that the Group no longer has any significant influence over the CHC business and will only retain its investment as a passive shareholder. Accordingly, the Group discontinued its equity method associate accounting for CHC and will hereafter only account for its investments at fair value through other comprehensive income.

(f) During the year, the Group through its subsidiary, Arcolab Private Limited acquired 25% equity interest in Neviton Softech Private Limited (Neviton), for a consideration of ₹ 99.73 Million (EUR 1.23 Million). Neviton is in the business of providing IoT and engineering solutions to a wide range of businesses. It has expertise in building machine interfaces through internet of things (IoT) devices and live feeding data into real-time applications. The Group expects to derive benefits on its internal group wise digitisation process through this investment.

(ii) Investments - non-current

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(A) Investments carried at fair value through other comprehensive income:		
Equity shares, unquoted		
- 1,050 (As at March 31, 2022: 1,050) shares in Red Vault Investments Pty Limited, Australia	-	-
Less: Provision for diminution in value of investments	-	-
Equity shares, unquoted		
- 21,833,626 (As at March 31, 2022: Nil) shares in Strides Global Consumer Healthcare Limited, UK	509.58	-
Total [A]	**509.58**	**-**
(B) Other investments at fair value through other comprehensive income:		
Equity shares, quoted		
- 217,391 (As at March 31, 2022: 217,391 shares in Outlook Therapeutics Inc., USA	19.48	29.38
- 45,673 (As at March 31, 2022: 639,430) shares in Sonnet Biotherapeutics Holdings Inc., USA (refer note (a) below)	1.35	18.45
Total [B]	**20.83**	**47.83**
Total [A+B]	**530.41**	**47.83**
Aggregate book value of quoted investments	20.83	47.83
Aggregate market value of quoted investments	20.83	47.83
Aggregate carrying value of unquoted investments	509.58	-
Aggregate amount of impairment in value of investments	-	-

Notes:

(a) On September 15, 2022, pursuant to requisite approval, there was reverse stock split in the ratio of 1-for-14 shares for the shares of the Sonnet Biotherapeutics Holding Inc.

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(iii) Investments - current

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Investments carried at fair value through profit and loss		
Investment in funds, unquoted		
Clareville Capital Opportunity Fund (units as at March 31, 2023: 61,830, March 31, 2022: Nil)	508.40	-
Total	**508.40**	**-**
Current investments offered as security towards borrowings	-	-
Highly liquid investments that are readily convertible into known amounts of cash and cash equivalents	508.40	-

Note No. 10 Loans receivable

Loans (unsecured) consist of the following:

(i) Non-current loans

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Considered good:		
Loans to:		
- Related parties (Refer note 49)	-	30.00
Total	**-**	**30.00**

(ii) Current loans

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Considered good:		
Loans to:		
- Employees	47.80	48.24
- Others	30.00	-
Total	**77.80**	**48.24**

Note No. 11 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good:		
Security deposits*	334.07	380.70
Bank deposits with more than 12 months maturity	31.96	12.91
Deferred consideration receivable	-	57.19
Balance held as margin money against long term borrowings with others	42.60	-
Total	**408.63**	**450.80**

* Includes security deposit given to related parties as referred in note 49.

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(ii) Current financial assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good:		
Interest accrued on deposit	13.27	1.18
Interest accrued on loans and advances given*	8.17	5.47
Receivable from related parties (refer note 49)	65.73	23.49
Deferred consideration receivable on sale of investment and property, plant and equipment	572.46	5,705.35
Derivative assets	36.42	9.08
Others:		
- Gratuity claim receivables	79.85	28.81
- Receivable from director (refer note 49)**	141.90	141.90
Total	**917.80**	**5,915.28**

*Includes interest accrued on loans given to related parties as referred in note 49.

**The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation on March 29, 2022, which has been accepted by the Board of Directors (Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated August 20, 2020, he was entitled to a joining bonus of ₹ 141.90 Million which had been paid in full by the Company in earlier periods. However, the employment terms contain a provision to claw back the joining bonus in full if he were to leave the Company before completing 36 months from the date of such payment. The Board has decided to recover the joining bonus in accordance with the terms of employment. Accordingly, in line with the requirements of Section 197(9), the Company has shown an amount of ₹ 141.90 Million as a recoverable balance which is disclosed under current financial assets.

Note No. 12 Deferred tax balances

₹ In Million

Particulars	As at 31-Mar-23	As at 31-Mar-22
Deferred tax assets (net)	2,650.32	2,151.49
Deferred tax liabilities (net)	(445.71)	(357.19)
Total	**2,204.61**	**1,794.30**

₹ In Million

Year ended March 31, 2023	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Recognised in other equity	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/ assets in relation to:							
Cash flow hedges (including forward element of forward contracts)	7.34	-	(0.49)	-	-	0.52	7.37
Property, plant and equipment	(715.27)	(238.68)	-	(5.60)	233.62	(23.58)	(749.51)
Intangible assets	(440.21)	100.96	-	-	65.88	(32.52)	(305.89)
Other financial liabilities	5.91	97.04	-	-	(0.18)	2.25	105.02
Others	293.93	1.79	4.45	-	17.22	25.40	342.79
Inventory	607.08	75.77	-	-	-	19.64	702.49
Employee benefits	268.38	7.08	(30.33)	-	1.35	0.74	247.22
Allowance for credit losses	12.46	39.73	-	-	-	(0.08)	52.11
	39.62	**83.69**	**(26.37)**	**(5.60)**	**317.89**	**(7.63)**	**401.60**
Tax losses	811.78	152.35	-	-	(152.41)	48.39	860.11
MAT credit entitlement	942.90	-	-	-	-	-	942.90
Total	**1,794.30**	**236.04**	**(26.37)**	**(5.60)**	**165.48**	**40.76**	**2,204.61**

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₹ In Million

Year ended March 31, 2022	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Recognised in other equity	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/ assets in relation to:							
Cash flow hedges	9.82	-	(3.19)	-	-	0.71	7.34
(including forward element of forward contracts)							
Property, plant and equipment	(634.99)	(76.77)	-	-	-	(3.51)	(715.27)
Intangible assets	(466.41)	45.15	-	-	(2.60)	(16.35)	(440.21)
Other financial liabilities	36.42	(30.98)	-	-	-	0.47	5.91
Others	248.21	14.33	20.60	-	-	10.79	293.93
Inventory	762.85	(136.42)	-	-	(25.15)	5.80	607.08
Employee benefits	268.35	1.67	(1.64)	-	-	-	268.38
Allowance for credit losses	49.41	(36.97)	-	-	-	0.02	12.46
	273.66	**(219.99)**	**15.77**	**-**	**(27.75)**	**(2.07)**	**39.62**
Tax losses	414.03	386.36	-	-	-	11.39	811.78
MAT credit entitlement	831.04	111.86	-	-	-	-	942.90
Total	**1,518.73**	**278.23**	**15.77**	**-**	**(27.75)**	**9.32**	**1,794.30**

** including deferred tax expenses recognised in discontinued operations.

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

Note No. 13 Income tax assets (net)

The income tax expense consists of the following:

Non-current income tax assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Advance income tax (net of provisions)	1,553.89	1,028.99
Taxes paid under protest	63.07	593.77
Total	**1,616.96**	**1,622.76**

Note No. 14 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Considered good:		
Capital advances	194.95	25.79
Prepaid expenses	44.53	32.47
Balances with Government Authorities:		
- VAT credit / refund receivable	-	20.78
- Indirect taxes paid under protest	25.78	25.78
Total	**265.26**	**104.82**

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(ii) Other current assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Considered good:		
Advance to suppliers	538.61	557.43
Advance to employees	26.82	17.27
Prepaid expenses	639.29	541.85
Balances with Government Authorities	890.12	831.92
Incentives receivables	134.96	21.83
Total	**2,229.80**	**1,970.30**

Note No. 15 Inventories

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Raw materials (including goods in transit)	5,217.36	5,748.88
Work-in-progress	510.36	481.86
Finished goods	4,389.10	2,777.28
Finished goods-in-transit	225.95	1,858.99
Stock-in-trade	855.51	636.36
Stores and spares	266.77	234.59
Total	**11,465.05**	**11,737.96**

Note No. 16 Trade receivables

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured		
Considered good*	13,446.31	12,495.25
Credit impaired	-	-
	13,446.31	**12,495.25**
Less: Allowance for credit loss (Refer note 51.6)	(452.29)	(422.24)
Total	**12,994.02**	**12,073.01**

* Includes receivables from related parties as referred in note 49.

The Group has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cashflows from the respective trade receivables since they are with recourse to the group. Accordingly as at March 31, 2023, trade receivables balances include ₹ 565.88 (As at March 31, 2022: ₹ 804.12 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings.

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Trade receivables ageing schedule as at March 31, 2023

₹ In Million

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables								
- Considered Good	17.87	10,438.80	1,734.72	438.87	391.10	49.95	375.00	13,446.31
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	-	-	(452.29)
Disputed Trade receivables								-
- Considered Good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
	17.87	**10,438.80**	**1,734.72**	**438.87**	**391.10**	**49.95**	**375.00**	**12,994.02**

Trade receivables ageing schedule as at March 31, 2022

₹ In Million

Particulars	Not due	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables								
- Considered Good	65.65	10,033.11	1,523.55	256.95	108.93	361.97	145.09	12,495.25
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	-	-	(422.24)
Disputed Trade receivables								-
- Considered Good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
	65.65	**10,033.11**	**1,523.55**	**256.95**	**108.93**	**361.97**	**145.09**	**12,073.01**

Information about Group's exposure to credit and market risk and impairment losses for trade receivables is included in note 51.6

Notes

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Note No. 17 Cash and cash equivalents

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Cash on hand	2.68	2.71
Balances with banks:		
- In current accounts	573.11	1,573.41
- In deposit accounts	1,909.58	14.61
- Funds-in-transit	549.64	116.57
Total	**3,035.01**	**1,707.30**

Note No. 18 Other balances with banks

₹ In Million

Particulars	31-Mar-23	31-Mar-22
In deposit accounts	63.63	134.55
In earmarked accounts:		
- Unpaid dividend accounts	9.72	10.92
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	9.09	0.09
- Balance held as margin money against working capital facilities with banks	41.85	20.33
Total	**124.62**	**166.22**

Note No. 19 Equity share capital

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Authorised		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2022: 188,370,000 equity shares of ₹ 10/- each)	1,883.70	1,883.70
Total	**1,883.70**	**1,883.70**
Issued, subscribed and fully paid-up		
90,302,704 equity shares of ₹10/- each with voting rights (March 31, 2022: 89,790,214 equity shares of ₹ 10/- each)	903.03	897.90
Total	**903.03**	**897.90**

(i) Reconciliation of number of shares and amount outstanding:

Particulars	Notes	31-Mar-23		31-Mar-22	
		No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital					
Equity share of ₹ 10/- each					
Balance at the beginning of the year		**89,790,214**	**897.90**	**89,680,964**	**896.81**
Changes in equity share capital during the year					
Shares issued pursuant to exercise of stock options	45	60,000	0.60	109,250	1.09
Shares issued pursuant to conversion of share warrants	20 (l)	452,490	4.53	-	-
Balance at the end of the year		**90,302,704**	**903.03**	**89,790,214**	**897.90**

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(ii) Detail of the rights, preferences and restrictions attaching to each class of outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹10/- each. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

Particulars	31-Mar-23		31-Mar-22	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	17,074,132	18.91%	16,926,147	18.85%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	5,221,845	5.78%	5,275,798	5.88%

(iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of shares	
	31-Mar-23	31-Mar-22
Towards employee stock options under the various Strides stock option plans (Refer note 45)	2,309,450	2,590,700
Total	**2,309,450**	**2,590,700**

(v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

(vi) Shareholding of Promoters at the end of the year:

S. No	Promoter Name	31-Mar-23			31-Mar-22		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoters							
1	Arun Kumar Pillai	1,940,997	2.15%	26%	1,540,997	1.72%	11%
2	Devendra Kumar S*	-	0.00%	(100%)	2	0.00%	(100%)
3	K R Ravishankar	1,255,593	1.39%	0%	1,255,593	1.40%	0%
4	Vimal Kumar S*	-	0.00%	-100%	293,201	0.33%	12%
5	Pronomz Ventures LLP	17,074,132	18.91%	1%	16,926,147	18.85%	3%
	Promoters Group						
6	Abhaya Kumar S*	-	0.00%	-100%	57,869	0.06%	0%
7	Aditya Arun Kumar	58,422	0.06%	100%	-	0.00%	0%
8	Chaitanya D*	-	0.00%	-100%	59,882	0.07%	113%
9	Gayatri Nair	-	0.00%	-100%	33,000	0.04%	0%
10	Hemalatha Pillai	66,760	0.07%	0%	66,760	0.07%	0%
11	Jatin V*	-	0.00%	-100%	461,042	0.51%	0%
12	Jitesh D*	-	0.00%	-100%	25,825	0.03%	0%
13	K R Lakshmi	130,365	0.14%	0%	130,365	0.15%	0%
14	K R Anuradha	5,470	0.01%	100%	-	0.00%	0%
15	Leela V*	-	0.00%	-100%	417,867	0.47%	0%
16	Monisha Nitin*	-	0.00%	-100%	149,764	0.17%	0%
17	Nitin Kumar V*	-	0.00%	-100%	527,093	0.59%	6%
18	Padmakumar Karunakaran Pillai	186,485	0.21%	0%	186,485	0.21%	0%
19	Pooja Srisrimal*	-	0.00%	-100%	93,750	0.10%	0%
20	Purushothaman Pillai G	-	0.00%	-100%	33,013	0.04%	0%
21	Rahul Nair	-	0.00%	-100%	20,000	0.02%	0%
22	Rajitha Gopalakrishnan	60,000	0.07%	0%	60,000	0.07%	0%
23	Rupali Jatin*	-	0.00%	-100%	189,826	0.21%	0%
24	Sajitha Pillai	95,000	0.11%	0%	95,000	0.11%	0%
25	Sajjan D*	-	0.00%	(100%)	176,670	0.20%	(26%)
26	Suchi Chaitanya Srisrimal*	-	0.00%	-100%	93,750	0.10%	0%
27	V. Jatin (HUF)*	-	0.00%	-100%	408	0.00%	0%
28	V. Nitin Kumar (HUF)*	-	0.00%	-100%	500	0.00%	0%
29	Vimal Kumar S (HUF)*	-	0.00%	-100%	115,158	0.13%	0%
30	S Abhaya Kumar (HUF)*	-	0.00%	-100%	78,043	0.09%	0%
31	Taru Mardia*	-	0.00%	-100%	14,000	0.02%	0%
32	Vibha Srisrimal*	-	0.00%	-100%	14,000	0.02%	0%
33	Vineetha Mohanakumar Pillai	190,000	0.21%	0%	190,000	0.21%	0%
34	Lakshmi Gopalakrishnan	-	0.00%	-100%	50,000	0.06%	0%
Body Corporates							
35	Abusha Investment & Management Services LLP	181,216	0.20%	-36%	281,221	0.31%	0%
36	Agraganya Private Trust	-	0.00%	0%	300,000	0.33%	0%
37	Ambemata Securities	481,660	0.53%	0%	481,660	0.54%	0%
38	Shasun Enterprises LLP (formerly Devendra Estates LLP)	823,953	0.91%	0%	823,953	0.92%	0%
39	Shasun Leasing And Finance (P) Limited	1,005,000	1.11%	0%	1,005,000	1.12%	0%
40	Agraganya Private Trust	300,000	0.33%	100%	-	0.00%	0%
41	Karuna Business Solutions LLP	1,677,540	1.86%	37%	1,225,050	1.36%	0%

*With effect from February 22, 2023, pursuant to approval from Stock Exchanges, reclassified from promoter shareholding category to public shareholding category.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 20 Other equity

₹ In Million

Particulars	Notes	As at 31-Mar-23	As at 31-Mar-22
(A) Share application money pending allotment	20 (A)	-	4.06
(B) Reserves and surplus			
Capital reserve	20 (B)(i)	357.27	341.00
Securities premium	20 (B)(ii)	17,544.50	17,321.88
Capital redemption reserve	20 (B)(iii)	601.61	601.61
Share options outstanding account	20 (B)(iv)	23.17	20.46
Equity for gross obligation	20 (B)(v)	(4,063.14)	(4,063.14)
General reserve	20 (B)(vi)	4,040.26	4,036.96
Retained earnings	20 (B)(vii)	(2,003.27)	23.08
(C) Items of other comprehensive income			
FVOCI equity investments reserve	20 (C)(i)	(1,300.04)	(672.14)
Cash flow hedging reserve	20 (C)(ii)	(12.42)	(57.60)
Foreign currency translation reserve	20 (C)(iii)	5,954.91	5,292.36
Remeasurement of the defined benefit liabilities / (asset)	20 (C)(iv)	(94.30)	(154.15)
(D) Money received against share warrants	20 (D)	171.00	-
Total		**21,219.55**	**22,694.38**

Nature and purpose of other reserve

(a) **Capital reserve**

Capital reserve is created on account of Foreign Currency Convertible Bonds, business combinations and demerger. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) **Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(c) **Capital redemption reserve**

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(d) **Share options outstanding account**

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

(e) **Equity for gross obligation**

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash. On initial recognition, the amount that may become payable under the option on exercise is recognised as a financial liability at its present value of the redemption amount with a corresponding charge directly to the other equity.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

(f) **General reserve**

General reserves are the retained earnings of a Group which are appropriated out of Group's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

(g) **Retained earnings**

Retained earnings are the profits that the Group has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

(h) **FVOCI equity investments reserve**

The Group has elected to recognise changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve.

(i) **Cash flow hedging reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(j) **Foreign currency translation reserve**

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(k) **Remeasurement of the defined benefit liabilities / (asset)**

The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

(l) **Share warrants**

Board of Directors of the Company on March 14, 2022 approved the issuance of upto 2,000,000 Equity Warrants at a price of ₹ 442/- per warrant, to Karuna Business Solutions LLP, a promoter group entity, with a right to apply for and get allotted, within a period of 18 (Eighteen) months from the date of allotment of Warrants, 1 (one) Equity Share of face value of ₹ 10/- (Rupee Ten Only) each for each Warrant, for cash. The issue was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on April 7,2022 and has also received requisite listing approvals.

An amount of ₹ 221 Million equivalent to 25% of the Warrant Price was paid to the Company at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares pursuant to exercise of the options.

During the year ended March 31, 2023, on exercise of options by Karuna Business Solutions LLP and on receipt of balance subscription money of ₹150 Million, the Company has fully converted 452,490 convertible warrants into equity shares. Equity warrants of 1,547,510 are pending to be allotted as on March 31.2023.

The Company has fully utilised the amounts of ₹ 371 Million towards capital resources and operations.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(A) Share application money pending allotment		
Opening balance	4.06	-
Add: Received during the year	-	4.06
(Less): Shares allotted during the year	(4.06)	-
Closing balance [A]	**-**	**4.06**
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	341.00	214.84
Less: Pursuant to acquisition from non-controlling interest (Refer note 39.2)	-	2.56
Add: Pursuant to business combinations (Refer note 39)	16.27	123.60
Closing balance	**357.27**	**341.00**
(ii) Securities premium		
Opening balance	17,321.88	17,272.67
Add: Premium received on shares issued during the year	27.15	49.21
Add: Premium on conversion of share warrants	195.47	-
Closing balance	**17,544.50**	**17,321.88**
(iii) Capital redemption reserve		
Opening balance	601.61	601.61
Closing balance	**601.61**	**601.61**
(iv) Share options outstanding account (Refer note 45)		
Opening balance	20.46	47.20
Less: Transferred to securities premium account on exercise of ESOPs	(10.02)	(18.18)
Less: Transferred to general reserve on stock options lapse	(3.30)	(21.27)
Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)	16.03	12.71
Closing balance	**23.17**	**20.46**
(v) Equity for gross obligation		
Opening balance	(4,063.14)	(4,063.14)
Closing balance	**(4,063.14)**	**(4,063.14)**
(vi) General reserve		
Opening balance	4,036.96	4,015.69
Add: Transferred from share options outstanding account	3.30	21.27
Closing balance	**4,040.26**	**4,036.96**
(vii) Retained earnings		
Opening balance	23.08	4,849.50
Add: Profit / (loss) for the year	(2,026.35)	(4,602.11)
Less: Dividend on equity shares including taxes	-	(224.31)
Closing balance	**(2,003.27)**	**23.08**
Total Reserves and surplus [B]	**16,500.40**	**18,281.85**
(C) Items of other comprehensive income		
(i) FVOCI equity investments reserve		
Opening balance	(672.14)	(598.77)
Add / (Less): Other comprehensive income for the year (net of taxes)	(627.90)	(73.37)
Closing balance	**(1,300.04)**	**(672.14)**
(ii) Cash flow hedging reserve		
Opening balance	(57.60)	(197.39)
Add / (Less): Other comprehensive income for the year (net of taxes)	45.18	139.79
Closing balance	**(12.42)**	**(57.60)**
(iii) Foreign currency translation reserve		
Opening balance	5,292.36	4,887.43
Add / (Less): Other comprehensive income for the year	662.55	404.93
Closing balance	**5,954.91**	**5,292.36**
(iv) Remeasurement of the defined benefit liabilities / (asset)		
Opening balance	(154.15)	(159.84)
Add / (Less): Other comprehensive income for the year (net of taxes)	59.85	5.69
Closing balance	**(94.30)**	**(154.15)**
Total items of other comprehensive income [C]	**4,548.15**	**4,408.47**
(D) Money received against share warrants		
Opening balance	-	-
Add: Received during the year	371.00	-
Less: Transferred to equity share capital on allotment (Refer note 20(l))	(4.53)	-
Less: Transferred to securities premium account on allotment (Refer note 20(l))	(195.47)	
Closing balance	**171.00**	**-**
Total of money received against share warrants [D]	**171.00**	**-**
Attributable to equity holders of the Company [A + B + C + D]	**21,219.55**	**22,694.38**

Note No. 21 Non-controlling interests

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Opening balance	240.88	373.41
Less: Loss for the year	(96.95)	(140.39)
Add / (Less): Other comprehensive income for the year	(60.52)	12.95
Add / (Less): Pursuant to exchange movement	19.21	(2.53)
Add / (Less): Pursuant to loss of non-controlling interest (Refer note 40.4)	(496.37)	-
Add / (Less): Pursuant to acquisition of non-controlling interest in subsidiary (Refer note 39)	-	(2.56)
Closing balance	**(393.75)**	**240.88**

Note No. 22 Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ In Million

Particulars	31-Mar-23	31-Mar-22
a) Borrowings U.S. revolver facility - Secured (Refer note (i) below)	5,671.99	4,487.74
Subtotal (a)	**5,671.99**	**4,487.74**
b) Borrowings others		
Secured		
- Debentures from others (Refer note (ii) below)	1,207.55	-
- Term loans from banks (Refer note (iii) to (xii) below)	2,291.14	2,351.94
- Term loans from others (Refer note (xiv) and (xvi) below)	1,237.46	608.90
Unsecured		
- Term loans from banks	-	-
- Term loans from others (Refer note (xvii) to (xx) below)	989.78	907.65
Subtotal (b)	**5,725.93**	**3,868.49**
Total (a+b)	**11,397.92**	**8,356.23**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

Details of security and terms of repayment for the non-current borrowings:

₹ In Million

Terms of repayment and security	31-Mar-23	31-Mar-22
(i) U.S. revolver facility		
Long-term loan	5,671.99	4,487.74
Current maturities of long-term loan	-	-
Security: First charge on the current assets of the borrowing subsidiary and Pari-Passu first charge on the fixed assets of the borrowing subsidiary.		
Rate of interest: 1 month LIBOR / 0.25% base rate, whichever is higher + 2.25% p.a.		
Repayment terms: Repayable at the end of 3 years with an option to renew for next 3 years.		
(ii) Debentures		
Series A 500 debentures of ₹ 1,000,000 each fully paid	1,207.55	-
Series B 750 debentures of ₹ 1,000,000 each fully paid		
Terms: Secured, Non-cumulative, Non-convertible, Redeemable debentures Security:		
First ranking pari passu charge over immovable properties, movable properties, intangible assets, goodwill, current assets of the Company.		
First ranking exclusive charge over the equity shares of the subsidiary (Vivimed Life Sciences Private Limited).		
First pari passu charge on fixed assets, immovable properties, intangibles, goodwill and second ranking pari passu charge over all current assets of the subsidiary (Vivimed Life Sciences Private Limited) Margin money of ₹36.14 Mn is lien-marked in favour of debenture trustee. Rate of Interest: 11% to 12.42%p.a.		
Repayment:		
For Series A debenture on September 30, 2024 and for Series B debentures 50% on September 30, 2025 and remaining 50% on September 30, 2026.		
(iii) Term loans from banks: Loan 1		
Long-term loan	0.82	1.71
Current maturities of long-term loan	0.89	1.15
Security: Hypothecation of assets procured from the term loans.		
Rate of interest: 7.0% to 8.0% p.a.		
Repayment terms: 36 to 60 monthly instalments. The outstanding term as at March 31, 2023 is 7 to 32 instalments.		
(iv) Term loans from banks: Loan 2		
Long-term loan	153.94	276.58
Current maturities of long-term loan	125.00	125.00
Security: Pari-Passu first charge on the fixed assets of the Company and second Pari-passu charge on the current assets of the Company		
Rate of interest: 9.15% p.a. to 10.35% p.a.		
Repayment terms: 48 equal monthly instalments commencing after 12 months from disbursement date. The outstanding term as at March 31, 2023 is 27 instalments."		
(v) Term loans from banks: Loan 3		
Long-term loan	-	-
Current maturities of long-term loan	-	33.33
Security: Extension of first pari-passu charge on the entire current assets of the Company, both present and future, and extension of second pari-passu charge on all the fixed asset of the Company, both present and future, excluding land and building at CBD Belapur and Navi Mumbai		
Rate of interest: 7.0% p.a. to 8.0% p.a.		
Repayment terms: 18 equal monthly instalments after initial moratorium. The outstanding term as at March 31, 2023 is Nil.		

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

₹ In Million

Terms of repayment and security	31-Mar-23	31-Mar-22
(vi) Term loans from banks: Loan 4		
Long-term loan	247.68	359.75
Current maturities of long-term loan	124.80	124.80
Security: First pari-passu charge on the fixed asset of the Company excluding properties at CBD Belapur, Navi Mumbai and Hosur. Second pari-passu charge on the current assets of the Company		
Rate of interest: 9.7% p.a.		
Repayment terms: 48 equal monthly instalments after initial moratorium of 12 months. The outstanding term as at March 31, 2023 is 35 instalments.		
(vii) Term loans from banks: Loan 5		
Long-term loan	-	140.93
Current maturities of long-term loan	-	90.94
Security: First charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary, both present and future		
Rate of interest: Bank USD Base rate		
Repayment terms: Repayable in 36 to 60 monthly installments. The outstanding term as at March 31, 2023 is Nil installments(Refer note 40.4).		
(viii) Term loans from banks: Loan 6		
Long-term loan	1,631.61	-
Current maturities of long-term loan	821.90	2,847.38
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, its holding company and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future		
Rate of interest: 6 months LIBOR + 230 bps p.a.		
Repayment terms: Repayable in 12 half yearly installments. The outstanding term as at March 31, 2023 is 6 installments.		
(ix) Term loans from banks: Loan 7		
Long-term loan	-	-
Current maturities of long-term loan	-	547.46
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future		
Rate of interest: 6 months LIBOR + 300 bps p.a.		
Repayment terms: Repayable in 16 structured quarterly installments. The outstanding term as at March 31, 2023 is Nil installments.		
(x) Term loans from banks: Loan 8		
Long-term loan	-	1,044.65
Current maturities of long-term loan	1,137.81	303.71
Security: First pari-passu charge on all current assets and all fixed assets including intangibles of the borrowing subsidiary, both present and future		
Rate of interest: 3 months LIBOR + 300 bps p.a.		
Repayment terms: Repayable in 20 equal quarterly installments. The outstanding term as at March 31, 2023 is 6 installments		
(xi) Term loans from banks: Loan 9		
Long-term loan	-	-
Current maturities of long-term loan	-	25.00
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future		
Rate of interest: 1 year MCLR + 150 bps p.a.		
Repayment terms: Repayable in 16 structured quarterly instalments after an initial moratorium period of 12 months from the date of first disbursement. The outstanding term as at March 31, 2023 is Nil instalments.		

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forming part of the consolidated financial statements for the year ended March 31, 2023

₹ In Million

Terms of repayment and security	31-Mar-23	31-Mar-22
(xii) Term loans from banks: Loan 10		
Long-term loan	-	162.67
Current maturities of long-term loan	169.91	163.91
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future Rate of interest: 3 Months LIBOR + 275 bps p.a.		
Repayment terms: Repayable in 14 structured quarterly installments after an initial moratorium period. The outstanding term as at March 31, 2023 is 4 installments.		
(xiii) Term loans from banks: Loan 11		
Long-term loan	177.10	285.65
Current maturities of long-term loan	80.14	70.76
Security: First charge on the current assets of the borrowing subsidiary and Pari-Passu first charge on the fixed assets of the borrowing subsidiary		
Rate of interest: 3.62% p.a.		
Repayment terms: Repayable in 60 monthly installments. The outstanding term as at March 31, 2023 is 44 installments.		
(xiv) Term loans from banks: Loan 12		
Long-term loan	80.00	80.00
Current maturities of long-term loan	-	-
Security: Second charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future and guaranteed by National Credit Guarantee Trustee Company Limited		
Rate of interest: 9.25%		
Repayment terms: Repayable in 36 equal monthly instalments after an initial moratorium period of 24 months from the date of first disbursement. The outstanding term as at March 31, 2023 is 36 installments.		
(xv) Term loans from others: Loan 13		
Long-term loan	694.77	328.88
Current maturities of long-term loan	224.58	125.00
Security: Pari-passu first charge on the fixed assets of the Company and second pari-passu charge on the current assets of the Company		
Rate of interest: 10.0% p.a. to 12.15% p.a.		
Repayment terms: 48 equal monthly instalments from date of first disbursement. The outstanding term as at March 31, 2023 is 32 to 59 instalments.		
(xvi) Term loans from others: Loan 14		
Long-term loan	178.24	280.02
Current maturities of long-term loan	103.68	103.68
Security: Pari-passu first charge on the fixed assets of the Company (excluding land and building at Navi Mumbai).		
Rate of interest: 10.6 % p.a. to 12.9% p.a.		
Repayment terms: 20 quarterly structured instalments commencing after initial moratorium. The outstanding term as at March 31, 2023 is 11 instalments."		
(xvii) Term loans from others: Loan 15		
Long-term loan	189.24	-
Current maturities of long-term loan	53.29	-
Security: First pari-passu charge on the fixed asset of the Company (excluding land and building at Navi Mumbai), and second pari-passu charge on the current assets of the Company.		
Margin money of ₹6.46 Million is lien-marked in favour of lender Rate of interest: 11% p.a.		
Repayment terms: 48 monthly instalments from date of disbursement. The outstanding term as at March 31, 2023 is 47 instalments.		
(xviii) Term loans from others: Loan 16		
Long-term loan	175.19	-
Current maturities of long-term loan	166.67	-
Security: First 1.25 times *pari-passu* charge on fixed assets of the Company. and Second *pari-passu* charge on current assets of the company		
Rate of interest: 10.95% p.a. to 11.8% p.a.		
Repayment terms: 36 monthly instalments commencing from date of disbursement. The outstanding term as at March 31, 2023 is 25 instalments.		
(xix) Unsecured Long-term loans from others: Loan 17		
Long-term loan	37.42	41.14
Current maturities of long-term loan	-	-
Rate of interest: Nil		
Repayment terms: Within 5 years from date of drawdown.		
(xx) Unsecured Long-term loans from others: Loan 18 *		
Long-term loan	-	-
Current maturities of long-term loan	24.89	32.67
Rate of interest: 7% p.a.		
Repayment terms: Repayable at the option of the borrower on or before 2 years from the date of disbursement.		
(xxi) Unsecured Long-term loans from others: Loan 19 *		
Long-term loan	25.78	27.22
Current maturities of long-term loan	-	-
Rate of interest: 7.0% p.a. (Prime lending rate as on March 31, 2021)		
Repayment terms: Repayable at the option of the borrower.		
(xxii) Unsecured Long-term loans from others: Loan 20 *		
Long-term loan	44.75	-
Current maturities of long-term loan	-	-
Rate of interest: 12.5% p.a.		
Repayment terms: Repayable at the end of 5 years		
(xxiii) Unsecured Long-term loans from others: Loan 21 *		
Long-term loan	881.84	839.29
Current maturities of long-term loan	5.49	3.24
Rate of interest: 12.5% p.a.		
Repayment terms: 360 equal monthly instalments. The outstanding term as at March 31, 2023 is 339 instalments.		
Total	**14,436.97**	**12,954.26**

* Loan taken by foreign subsidiary

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Disclosed under non-current borrowings	11,397.92	8,356.23
Disclosed under current borrowings		
- Current maturities of non-current borrowings	3,039.05	4,598.03
Total	**14,436.97**	**12,954.26**

Notes
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(ii) Current borrowings

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Current maturities of non-current borrowings (Refer note 22 (i) above)	3,039.05	4,598.03
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	9,555.01	10,130.95
- Short-term loans	2,712.27	3,512.85
Unsecured loans		
- Short-term loans from others	-	42.52
- Loans repayable on demand from banks	1,040.34	1,112.45
- Loans repayable on demand from others	-	166.57
Total	**16,346.67**	**19,563.37**

Note:

(a) Details of security for the secured loans repayable on demand: Working capital and short-term loans from banks are secured by first pari passu charge over current assets of the Group and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai) and respective current assets of the borrowing subsidiaries.

Rate of interest ranges from 1.40% to 13.00% p.a. (previous year 1.4% to 13.00% p.a.).

(b) The returns or statements filed by the Group with the banks or financial institutions, for its borrowings, are in agreement with books of accounts. Also refer note 2.

Net debt reconciliation

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Non-current borrowings	11,397.92	8,356.23
Current borrowings- working capital loans	13,307.62	14,965.34
Current maturities of long-term loans	3,039.05	4,598.03
	27,744.59	**27,919.60**
Less:		
Cash and cash equivalents	(3,035.01)	(1,707.30)
Balances in deposit accounts	(63.63)	(134.55)
Balances held as margin money	(84.45)	(20.33)
Cash and bank balances	**(3,183.09)**	**(1,862.18)**
Current investments (highly liquid)	(508.40)	-
Net debt	**24,053.10**	**26,057.42**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

₹ In Million

Reconciliation	Cash and bank balances (including deposit and margin money)	"Current investments (highly liquid)"	Non Current borrowings (including current maturities)	Current borrowings	Net Debt
As on April 1, 2022	**1,862.18**	**-**	**12,954.26**	**14,965.34**	**26,057.42**
Pursuant to business combinations (Refer note 39)	-	-	-	-	-
Pursuant to disposal of subsidiaries(refer note 40)	(3.39)	-	(253.02)	(1,077.46)	(1,327.09)
Cash flows	1,322.84	508.19	753.83	(504.55)	(1,581.74)
Effect of exchange differences on restatement of foreign currency balances	1.46	-	869.95	(33.20)	835.29
Others	-	0.21	111.95	(42.51)	69.23
As on March 31, 2023	**3,183.09**	**508.40**	**14,436.97**	**13,307.62**	**24,053.10**

Note No. 23 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Security deposits	11.96	29.00
Derivative liability	-	8.11
Contingent consideration payable	33.71	291.79
Gross obligation under written put option	74.84	242.88
Total	**120.51**	**571.78**

(ii) Other current financial liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest accrued but not due on borrowings	159.26	58.10
Unclaimed dividends *	9.72	10.91
Derivative liability	55.48	66.96
Other payables:		
- Payables on purchase of property, plant and equipments and intangible assets	72.13	171.06
- Payables on purchase of non-current investments	131.61	114.59
- Contingent consideration for acquisition of subsidiaries	74.70	181.84
- Payables to employees under cash settled share based payments	30.00	33.00
- Other payable to employees	423.04	477.59
- Others	4.75	38.26
Total	**960.69**	**1,152.31**

*Investor Education and Protection Fund shall be credited when due.

Notes
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Note No. 24 Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Provision for employee benefits:		
Gratuity and other benefits (Refer note 46)	408.38	450.44
Provision - Others:		
- Provision for sales return	325.82	192.36
Total	**734.20**	**642.80**

(ii) Current provisions

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Provision for sales return	333.46	283.49
Provision for claims	657.52	607.44
Provision for employee benefits:		
- Compensated absences	229.93	332.16
- Gratuity and other benefits (Refer note 46)	4.01	3.14
Total	**1,224.92**	**1,226.23**

Movement in provisions

₹ In Million

Particulars	Claims	Gratuity and other benefits	Compensated absences	Sales return
Opening balance as at April 1, 2021	**585.19**	**408.24**	**352.11**	**570.45**
Pursuant to exchange rate fluctuations	22.25	-	-	21.25
Provision recognised / (utilised) during the year (net)	-	45.34	(19.95)	(115.85)
Closing balance as at March 31, 2022	**607.44**	**453.58**	**332.16**	**475.85**
Pursuant to exchange rate fluctuations	50.08	-	-	39.23
Provision recognised / (utilised) during the year (net)	-	(41.19)	(102.23)	144.20
Closing balance as at March 31, 2023	**657.52**	**412.39**	**229.93**	**659.28**

Note No. 25 Other liabilities

Other liabilities consist of the following:

(i) Other non-current liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Asset retirement obligation	18.28	16.04
Total	**18.28**	**16.04**

(ii) Other current liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Other payables:		
- Advances from customers	324.50	281.21
- Statutory liabilities	440.30	443.93
- Other liabilities	-	30.37
Total	**764.80**	**755.51**

Note No. 26 Trade payables

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Total outstanding dues of micro enterprises and small enterprises (MSME)	169.38	326.75
Total outstanding dues of creditors other than micro and small enterprises*	9,654.05	10,388.49
Total	**9,823.43**	**10,715.24**

* includes dues to related party as referred in note 49.

Trade payable ageing schedule as at March 31, 2023

₹ In Million

Particulars	Unbilled Payables	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues							
- MSME	-	57.04	102.57	6.40	2.43	0.94	169.38
- Others	1424.51	3,411.73	4,084.77	292.19	111.98	328.87	9,654.05
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

Trade Payable ageing schedule as at March 31, 2022

₹ In Million

Particulars	Unbilled Payables	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues							
- MSME	-	150.40	168.20	6.35	1.01	0.79	326.75
- Others	1,290.25	3,088.31	5,217.82	361.81	250.51	179.79	10,388.49
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note 51.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 27 Tax liabilities

(i) Current tax liabilities (net)

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Provision for tax (net of advance tax)	267.11	238.11
Total	**267.11**	**238.11**

Note No. 28 Revenue from operations

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Sale of products	35,425.95	29,562.05
Sale of services	650.74	658.51
	36,076.69	**30,220.56**
Other operating revenues*	807.18	481.94
Total	**36,883.87**	**30,702.50**

* Other operating revenue include support service income ₹ 568.93 Million (2022: ₹ 366.79 Million), royalty income ₹ 0.69 Million (2022: ₹ 29.94 Million) and export incentives ₹ 202.14 Million (2022: ₹ 85.21 Million).

B. Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Revenue from contracts with customers (Continuing operations)

₹ In Million

Particulars	31-Mar-23	31-Mar-22
North America	19,261.39	12,058.99
Australia	3,115.63	3,174.77
Africa	4,506.26	5,707.41
Europe	8,370.28	6,768.55
India	218.63	473.47
Asia (excluding India)	460.56	1,970.59
Others	143.94	66.78
	36,076.69	**30,220.56**
Revenue from other sources		
Other operating revenue	807.18	481.94
	807.18	**481.94**
Total revenue from operations	**36,883.87**	**30,702.50**

Geographical revenue is allocated based on the location of the customers.

C. Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partial unsatisfied) at the reporting date.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Sale of services	213.55	223.01

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D. Reconciliation of revenue from contracts with customers

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Revenue from contracts with customers as per the contract price	61,647.14	52,790.41
Adjustments made to contract price on account of:-		
a) Chargebacks / Discounts / Rebates / Incentives	(24,997.53)	(22,416.66)
b) Sales returns/ reversals	(572.92)	(104.82)
c) Sales returns/ reversals related to product withdrawal*	-	(48.37)
Revenue from Contracts with customers as per statement of profit and loss	**36,076.69**	**30,220.56**

* Losartan returns for the previous year

Note No. 29 Other income

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest income (refer note (i) and (ii) below)	745.07	1,073.26
Income from current investments	0.21	2.89
Gain on sale of short-term investment in mutual funds	-	0.04
Rental income from investment property	19.00	60.33
Other non-operating income:		
- Liabilities / provisions no longer required written back	8.40	-
- Guarantee commission (Refer note 49)	59.49	52.16
- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)	41.07	112.47
- Others	30.04	18.73
Total	**903.28**	**1,319.88**

(i) includes interest income from related parties as referred in note 49.

(ii) Includes interest income amounting to ₹ 503 Million (2022: ₹ 748 Million) on tax refunds.

Note No. 30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Inventories at the end of the year		
- Work-in-progress	510.36	481.86
- Stock-in-trade	855.51	636.36
- Finished goods	4,615.05	4,636.27
	5,980.92	**5,754.49**
Less: Write off on account of withdrawal (Refer note 35)		
- Finished goods	-	(254.88)
	-	**(254.88)**
(Add)/Less: Consolidation adjustment:		
- Work-in-progress	14.37	3.42
- Finished goods	22.45	1.88
	36.82	**5.30**
Inventories at the beginning of the year		
- Work-in-progress	481.86	385.62
- Stock-in-trade	636.36	244.07
- Finished goods	4,636.27	5,636.70

Notes
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₹ In Million

Particulars	31-Mar-23	31-Mar-22
	5,754.49	**6,266.39**
Add: Opening stock pertaining to entity acquired during the year (Refer note 39)		
- Work-in-progress	-	24.19
- Finished goods	-	156.52
	-	**180.71**
Add: Opening stock pursuant to the disposal of entity (Refer note 40.4)		
- Finished goods	162.95	-
	162.95	**-**
Total	**(26.66)**	**952.79**

Note No. 31 Employee benefits expense

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Salaries, wages and bonus	5,941.43	5,283.01
Contribution to provident and other funds (Refer note 46)	601.65	552.55
Share based compensation expense (Refer note 45)	13.01	(7.09)
Staff welfare expenses	764.14	640.62
Total	**7,320.23**	**6,469.09**

Note No. 32 Finance costs

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest expense on:		
- Borrowings	1,977.15	1,288.15
- Leases (Refer note 5)	198.14	168.47
- Discounting of deposits	0.62	0.62
Other finance costs	435.51	310.20
Total	**2,611.42**	**1,767.44**

Note No. 33 Depreciation and amortisation expense

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Depreciation on plant, property and equipments (Refer note 4(i))	1,374.79	1,424.12
Amortisation on right to use (Refer note 5)	337.64	283.12
Depreciation on investment property (Refer note 6)	6.89	25.59
Amortisation on other intangible asset (Refer note 8(i))	713.20	597.31
Amount charged to the statement of profit and loss:	**2,432.52**	**2,330.14**
- under continuing operations	2,432.52	2,330.14
- under discontinued operations	-	-

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 34 Other expenses

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Subcontracting charges	450.37	482.68
Consumption of stores and spares	739.28	809.67
Power, fuel and water	858.16	715.42
Rent including lease rentals (Refer note 5)	144.02	80.89
Repairs and maintenance:		
- Buildings	70.04	61.15
- Machinery	497.40	458.30
- Others	743.95	593.46
Insurance	255.84	210.08
Rates and taxes	522.31	516.52
Communication expense	118.83	93.08
Travelling and conveyance	137.38	91.08
Printing and stationery	41.58	36.13
Carriage, freight and forwarding	2,246.27	3,009.41
Business promotion	221.73	178.18
Sales commission	168.51	125.38
Failure to Supply	304.51	230.13
Donations and contributions	11.58	3.42
Legal and professional fees (Refer note (i) below)	1,102.16	1,208.92
Provision for doubtful debts (including bad debt written off)	344.17	(14.08)
Other receivables written off	-	15.85
Bio-study expenses	93.47	149.98
Foreign exchange (gain) / loss - net	(448.88)	97.84
Miscellaneous expenses	370.30	257.81
Total	**8,992.98**	**9,411.30**

Note No. 35 Exceptional items

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Exchange gain/ (loss) on long-term foreign currency loans, deferred consideration and intra-group loans	(716.73)	(109.24)
Impairment and cost associated with disposal of facility (Refer note (c) below)	-	(1,727.16)
Sales returns, write down of inventory and other expenses on account of product withdrawal and recall (Refer note (a) & (b) below)	(248.82)	(552.34)
Write down of other assets	(330.40)	(46.76)
Gain on dilution of investment in associates (Refer note (d) below)	656.07	529.26
Business combination and restructuring expenses	(0.88)	(211.27)
Employee severance and retrenchment payments (Refer note (c) below)	(255.03)	(207.00)
Unwinding / fair valuation of gross obligations and contingent consideration	568.59	11.27
Gain on sale of investment in an associate (Refer note 40.3)	-	27.79
Gain on divestment of subsidiaries (Refer note 40.4)	156.88	1.57
Loss on sale of business unit (Refer note 40.2)	-	(154.37)
Total	**(170.32)**	**(2,438.25)**

Notes
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Note

(a) On March 31, 2020, US Food and Drug Administration (USFDA or the Agency) issued letters to all manufacturers of Ranitidine across dosage forms requesting withdrawal of all prescription(Rx) and over-the-counter (OTC) ranitidine drugs from the market immediately. This step was based on their ongoing investigation of the N-Nitrosodimethylamine (NDMA) impurity in ranitidine medications. As a result, effective 1 April 2020, the Group has ceased further distribution of the product and is currently in the process of withdrawing the product from the market.

During the current year, the group has continued to receive returns from its customers with the corresponding value being deducted on their payments to the Group. The Group is carrying sufficient provision for sales return and has recorded an amount of ₹ 248.82 Million (31 March, 2022: ₹ 198.87 Million) towards other expenses related to its product withdrawal. Furthermore, the expenses recorded also includes legal fees incurred by the Group in respect of its ongoing litigations relating to these recalls.

(b) During the previous year, USFDA issued a letter to the Group to test for the presence of Azide impurity(s) in Losartan. The Azide impurity(s) are API process impurity(s), with the API manufacturer also receiving a similar letter from USFDA. The results confirmed the presence of Azide impurity(s) in the batches tested. As a result, the group initiated a voluntary recall of specific batches which had the Azide impurity(s). The Group has estimated the impact of the aforesaid recall and recorded a sales return provision for potential refunds on return of the product. The Group has also estimated the costs of such recall and have provided for all inventory of Losartan with the Azide impurity(s) as of 31 March 2023, amounting to ₹ Nil (31 March 2022: ₹ 353.47 Million).

(c) On August 4, 2021, the Group through its wholly owned subsidiaries entered into definitive agreements with subsidiaries of Endo International Plc to acquire a portfolio of generic products along with the US manufacturing site at Chestnut Ridge, New York. Pursuant to such acquisition, the management decided to consolidate its existing operations with the acquired facility at Chestnut Ridge, New York to optimise future operating costs. Accordingly, during the previous year, the Group divested the Florida facility. Consequently, the Group recorded an impairment loss (including associated costs) amounting to 1,727.16 Million as at March 31, 2022.

Additionally, the Group as part of cost improvement measures globally and capacity optimisation at various manufacturing locations, resulting in one time severance expense aggregating to ₹ 255.03 Million (March 31, 2022: ₹ 207 Million), which has been disclosed under exceptional items.

(d) One of the associates of the group, Stelis Biopharma limited, raised equity investments during the current year and earlier years. As a result, the Group's shareholding has reduced.

Further, the Group to enable its associate, Consumer Healthcare (CHC) Business, to raise additional capital from other investors to fund its growth, decided to dilute its equity holding. Consequently, in accordance with the revised agreement with other investors the Group reduced its equity holding to 19%. Pursuant to the such amended agreement the Group has no longer any representation on the board of CHC. These changes required the Group to re-evaluate its accounting for investment in CHC. Pursuant to these amendments, the Group concluded that the Group no longer has any significant influence over the CHC business and will only retain its investment as a passive shareholder. Accordingly, the Group discontinued its equity method associate accounting for CHC and will hereafter only account for its investments at fair value through other comprehensive income.

Consequently, as per Ind AS 28 'Investment in associates and Joint ventures', the Group recorded gain on account of above mentioned dilution in shareholdings of ₹ 656.07 Million and ₹ 529.26 Million during the year ended 31 March 2023 and 31 March 2022 respectively.

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Note No. 36 Tax expenses

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Current tax		
Current tax expense	203.69	102.01
Current tax relating to prior years reversed *	(520.66)	(1,606.41)
	(316.97)	**(1,504.40)**
Deferred tax benefit		
Deferred tax expense / (benefit)	(236.04)	(166.37)
Minimum alternative tax credit utilised	-	(111.86)
	(236.04)	**(278.23)**
Total	**(553.01)**	**(1,782.63)**

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Profit before tax		
- from continuing operations	(2,862.00)	(6,525.13)
- from discontinued operations	185.69	-
	(2,676.31)	**(6,525.13)**
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	(935.21)	(2,280.14)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(94.31)	(48.25)
Effect of expenses that are not deductible in determining taxable profit	6.29	99.11
Effect of concessions	(15.32)	(19.04)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	88.83	312.01
Effect of different tax rates of subsidiaries operating in other jurisdictions	149.76	1,660.40
Effect on deferred tax balances due to the change in income tax rate	476.09	-
Tax pertaining to prior years	(528.04)	(1,655.31)
Effect on recognition of past unrecognised deferred tax asset	(52.94)	38.80
Tax effect on share of equity accounted joint venture and associates, not recognised	997.00	387.21
Tax effect on gain on divestment in subsidiaries and dilution of investment in associate, not recognised	(316.70)	-
Others (net)	(328.46)	(277.42)
Total Income tax expense	**(553.01)**	**(1,782.63)**

Refer note 12 for significant components of deferred tax assets and liabilities.

"The Company is eligible for various tax incentives / exemptions with respect to taxability of income received in India including repatriation of any profits as dividends from subsidiaries and associates, which may result in possible tax litigations/assessments. Assessing the applicability of tax for such repatriations involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/assessments. Judgment is required in assessing the availability of tax incentives / exemptions. These judgments could change over time as each of the matter progresses with the relevant tax authorities and accordingly may impact the accounting treatment followed by the Company. The Company based on its assessments believes that appropriate accruals have been recorded for all these matters, to the extent necessary.

Notes

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Note No. 37 Other comprehensive income

₹ In Million

Particulars	31-Mar-23	31-Mar-22
A) Items that will not be reclassified to profit or loss		
(i) Defined benefit obligations	90.18	7.33
Income tax on above	(30.33)	(1.64)
	59.85	**5.69**
(ii) FVOCI equity investments	(632.34)	(93.97)
Income tax on above	**4.44**	**20.60**
	(627.90)	(73.37)
Total [A]	**(568.05)**	**(67.68)**
B) Items that may be reclassified to profit or loss		
(i) Cash flow hedge	45.67	142.98
Income tax on above	(0.49)	(3.19)
	45.18	**139.79**
(ii) Foreign currency translations	602.03	417.88
Income tax on above	-	-
	602.03	**417.88**
Total [B]	**647.21**	**557.67**
Total [A+B]	**79.16**	**489.99**

Note No. 38 Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Cost of materials consumed	71.77	69.22
Salaries, wages and bonus	213.37	255.73
Biostudy expenses	43.34	91.52
Legal and professional fees	20.82	16.58
Consumption of stores and spares	53.22	105.38
Regulatory expenses	75.15	184.20
Travelling and conveyance	2.30	7.37
Depreciation and amortisation expenses	77.34	89.59
Others	158.68	163.88
Total	**715.99**	**983.47**

Notes

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Note No. 39 Business combinations (including acquisitions of non controlling interest)

39.1 Business combinations

During year ended March 31, 2022:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Chestnut Ridge Facility, New York and Portfolio of Generic Products	Manufacturing and Trading in Pharmaceutical Products	Oct 20, 2021	Refer Note B

Note A:

Strides Pharma Inc, US and Strides Pharma Global Pte Limited, Singapore, both being the wholly owned subsidiaries of the Group, acquired a portfolio of generic products and US manufacturing site at Chestnut Ridge, New York from Endo International plc for an aggregate consideration of USD 24.46 Million with effect from October 20, 2021. The Group therefore, in accordance with Ind AS 103 "Business Combinations" recorded a bargain purchase of USD 1.63 Million being the difference in the fair value of net assets acquired and consideration paid, in accordance with the computation below. During the current year, the Group finalised the Purchase price allocation and accordingly updated the bargain purchase gain and value of non-current assets.

Consideration transferred:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Cash	-	1,857.37
Total	**-**	**1,857.37**

Assets acquired and liabilities recognised at the date of acquisition:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Non-current assets (includes intangibles at fair value)	16.27	2,172.80
Current assets	-	330.03
Non-current liabilities	-	(28.32)
Current liabilities	-	(493.54)
Net Assets	**16.27**	**1,980.97**

39.2 Non-controlling interests, goodwill / bargain purchase on acquisition

The Group has recognised non-controlling interests in an acquired entity at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. Further, the Group has issued written put options to the non-controlling interests of certain subsidiaries to purchase their equity shares in accordance with the terms of underlying agreement with such shareholders. Should the option be exercised, the Group has to settle such liability by payment of cash. The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

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Details of initial recognition of such gross obligation, non-controlling interests and goodwill/bargain purchase arising on such acquisitions have been given in the below."

39.2.1 Acquisition of non-controlling interest:

During the previous year, the Group had acquired the non-controlling interests in below subsidiary, thereby, making them wholly owned subsidiary of the Group.

- PharamPar Inc.

Pursuant to the acquisition of non-controlling interest, the excess of consideration paid over the non-controlling interest balance and gross obligation under written put option carried as on the date of acquisition, has been debited or credited to the equity under the head 'Capital reserve' based on the below calculations:

₹ In Million

Particulars	Amount
Consideration transferred	-
Less: Carrying value of non-controlling interest	2.56
Less: Carrying value of gross obligation under written put option	-
Amount debited/(credited) to Capital reserve	**(2.56)**

39.2.2 Calculation of goodwill / bargain purchase arising on acquisition:

₹ In Million

Particulars	Amount
Consideration transferred	1,857.37
Fair value of net assets acquired	1,980.97
Bargain purchase arising on acquisition	**(123.60)**

39.2.3 Goodwill arising on acquisitions pertains to the below Cash generating units

During the current year and the previous year, there is no such acquisition leading to recording of goodwill in the financial statements.

39.2.4 Net cash outflow on acquisition of subsidiaries / business / non-controlling interest

₹ In Million

Particulars	Year ended 31-Mar-22
Consideration paid in cash	1,857.37
Net cash outflow on acquisition	**1,857.37**

39.2.5 Impact of acquisitions on the results of the Group:

Acquisitions

Results from continuing operations includes the following revenue and profit generated from the new acquisitions:

₹ In Million

Particulars	31-Mar-22
Revenue	1,447.27
Profit / (loss) for the year	233.64

If the acquisition had occurred on April 1, 2021, the management estimates that the consolidated revenue for the group pertaining to these acquisitions would have ₹ 3,295 Million and the profit would have been ₹ 257 Million for the 12 months ended March 31, 2022. The pro-forma amounts are not necessarily indicative of the results that would have been occurred on date indicated or that may result in the future.

In determining the 'pro-forma' revenue and profit of the Group, had new entity / business been acquired at the beginning of the current year, the Group has calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

Note No. 40 Discontinued operations:

The combined results of the discontinued operations of the businesses disposed-off as explained in Note 40.1, are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

₹ In Million

Particulars	Reference	Year ended 31-Mar-23	Year ended 31-Mar-22
Revenue		-	-
Other income		-	-
Total revenue from discontinued operations (I)		**-**	**-**
Depreciation and amortisation expense		-	-
Other expenses charged-off to the Statement of Profit and Loss		-	-
Total expenses from discontinued operations (II)		**-**	**-**
Loss from discontinued operation (III = I - II)		-	-
Gain / (loss) on disposal of:			
- investments in entities manufacturing specialty products	40.1	185.69	-
Net gain / (loss) on disposal of businesses (IV)		**185.69**	**-**
Gain / (loss) from discontinued operations before tax (V = III + IV)		**185.69**	**-**
Attributable income tax expense (VI)		-	-
Net gain / (loss) from discontinued operations after tax (V - VI)		**185.69**	**-**

Cash flows from discontinued operations

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities*	182.22	(16.39)
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	**182.22**	**(16.39)**

* Including cash flow on disposal of assets and liabilities of the discontinued operations

40.1 Sale of investments in entities manufacturing specialty products

The Company and its wholly owned subsidiary Strides Pharma Asia Pte Limited ("Strides Singapore") entered into definitive agreements on February 27, 2013 with Mylan Inc. for sale of the Specialty products business. The transactions under the respective agreements were by way of (i) sale of investment held in Agila Specialties Private Limited ("ASPL", an erstwhile wholly owned subsidiary of the Company), to Mylan Laboratories Limited ("MLL"), a Mylan group company and (ii) the sale of investment held in Agila Specialties Global Pte Limited ("Agila Global", an erstwhile wholly owned subsidiary of Strides Singapore) to Mylan Institutional Inc, another Mylan group company. MLL and Mylan Institutional Inc. together are referred to below as Mylan.

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

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40.1.1 Income recognised under discontinued operations:

In accordance with the terms of the India SPA and the Global SPA (together the "SPA"s) and other transaction documents, certain amounts were set aside under separate deposit / escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims in relation to certain regulatory concerns (""Regulatory escrow"") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax (""General claims escrow""). Further, ₹ 850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary. Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Group at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the Group.

During the earlier years, the Company had received notifications of claims from Mylan under the terms of the SPAs. These included claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

In previous years, a significant portion of these claims were settled out of the Regulatory Escrow deposit and the remaining balance of the Escrow account was recognised as income on full and final settlement of related claims. Further, the Company and Mylan also agreed on full and final settlement of warranty and indemnity claims to be adjusted against the 'General Claims Escrow'. The arbitration proceedings with respect to the third party claims was settled in favor of the Group and Mylan. The Group and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account.

During the current year, Mylan had received certain tax refund with respect to the period on or before the completion date, which has been remitted to the Group. The Group has recorded such receipt of ₹ 185.69 Million under discontinued operations.

There are certain tax claims which are pending under the terms of the SPAs for which the Group has recorded adequate provisions in the books.

The Group had considered hive-off of the Specialties business as discontinued operations. Accordingly, the income/(loss) referred above have been recognised under discontinued operations as under:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Gain/(Loss) on settlement of contingencies attributable to the discontinued operations (net)	185.69	-
Profit before tax from discontinued operations	**185.69**	**-**

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Cash flows from discontinued operations

₹ In Million

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	182.22	(16.39)
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	**182.22**	**(16.39)**

40.2 Sale of Pharmapar business:

During the previous year, the Group completed the divestment of its business held under Pharmapar Inc., Canada, for consideration of CAD 0.63 Million. The net loss of ₹ 154.37 Million arising from the transaction has been recorded as Exceptional item in the statement of profit & loss for the previous year ended 31 March, 2022.

(a) Consideration received

Particulars	31-Mar-23	31-Mar-22
Consideration received in cash	-	26.08
Deferred consideration	-	11.54
Total consideration	**-**	**37.62**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Non-current assets	-	100.01
Current assets	-	91.98
Non-current liabilities	-	-
Current liabilities	-	-
Net assets disposed off	**-**	**191.99**

(c) Loss on disposal

₹ In Million

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Total Consideration	-	37.62
Net assets disposed off	-	(191.99)
Loss on disposal	**-**	**(154.37)**

(d) Net cash inflow on disposal

₹ In Million

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Consideration received in cash	-	26.08
Net Cash inflow	**-**	**26.08**

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40.3 Sale of Investment in an associate

During the previous year, the Group divested its investment held in Juno OTC, Canada, for consideration of CAD 1.72 Million. The net gain of ₹ 27.79 Million arising from the transaction has been recorded as Exceptional item in the statement of profit & loss for the previous year ended 31 March, 2022.

40.4 Disposal of Universal Corporation Limited business (Loss of control)

Universal Corporation Limited, Kenya (UCL) is one of the subsidiaries of the group having its business operations in Kenya and the Group holds 51% investments in its equity shareholding. UCL would have a favorable opportunity to participate and win certain local tenders if the company is a local Kenyan company, i.e. Kenyan shareholders own at-least 51% ownership in the company. In order to maximise the opportunities for UCL, the shareholders have jointly agreed to take the necessary steps that enables the company to be eligible and win such businesses enabling its future growth.

Effective September 30, 2022, pursuant to an agreement, to enable UCL to compete in local tender businesses in Africa which promotes local companies, the Group reduced its equity shareholding below majority in UCL. Consequently, the Group also ceded away the control over the board of UCL in favour of the other existing shareholders. However, it continues to have board representation to exercise significant influence. Pursuant to above amendments, the Group concluded that it no longer exercises control over UCL. Subsequently, the Group shareholding has been reduced to 49% as on March 31, 2023. Consequently, the investment in UCL will be accounted as 'Investment in Associates' under equity method.

(a) Fair value of investment on the date of loss of control

Particulars	31-Mar-23
Shares held in UCL (Nos.)	92,946
Fair value per share (₹)	7,171
Fair value of retained investment (₹ in Million)	**666.51**

(b) Carrying value of assets (other than goodwill) and liabilities derecognised pursuant to loss of control

₹ In Million

Particulars	31-Mar-23
Non-current assets	1,366.14
Current assets	1,761.99
Non-current liabilities	(320.69)
Current liabilities	(1,801.44)
Net assets disposed off	**1,006.00**

(c) Gain on loss of control

₹ In Million

Particulars	31-Mar-23
Consideration received in cash and cash equivalents	-
Less: Cash and cash equivalent balance disposed off	(3.39)
Net cash outflow	**(3.39)**

Subsequently, to enable UCL product portfolio and improve the manufacturing capacity utilisation, the Institutional Tender Business portfolio of the Group consisting of non-exclusive IP's and receivables are proposed to be transferred. Accordingly, the same has been accounted as Assets Held for Sale as at March 31, 2023.

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₹ In Million

Particulars	31-Mar-23
Assets	
Intangible assets	14.48
Working capital balances	1,066.63
Total Assets	**1,081.11**
Liabilities	-
Net Assets held for sale	**1,081.11**

Note No. 41 Commitments

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Estimated amount of contracts remaining to be executed on capital account (Tangible and Intangible assets) and not provided for (net of advances)	283.75	367.74

Note No. 42 Contingent liabilities (to the extent not provided for)

₹ In Million

Particulars	31-Mar-23	31-Mar-22
a) Claims against the Group not acknowledged as debt		
- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	699.02	1,740.14
- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	588.01	588.01
b) Corporate Guarantees (to the extent of outstanding borrowing of the underlying Guarantee)*	5,033.72	6,016

* Refer note 49

(i) In light of the judgment of Honorable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

(ii) Other than the matters disclosed above, the Group is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Group's financial position or results of operations.

Note No. 43 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the Managing Director. During the previous year, the Group pursuant to its assessment that the business has now evolved from its incubation stage and to align to the decision to demerge certain parts of its business, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of the aforesaid change, the Group now has two operating segments, representing the individual businesses that are managed separately. The Group's new reportable segment are as follows; "Pharmaceutical"

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& "Bio-pharmaceutical". The Group has restated segment information for the historical periods presented herein to conform to the current presentation. This change in segments had no impact on the Group's historical consolidated statements of profit and loss, balance sheets or statements of cash flows.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
A) Segment Revenue		
a) Pharmaceutical business	36,883.87	30,702.50
b) Bio-pharmaceutical business	-	-
Revenue from operations	36,883.87	30,702.50
B) Segment results		
(i) Profit/ (loss) before exceptional items and tax		
a) Pharmaceutical business	161.15	(2,978.76)
b) Bio-pharmaceutical business	-	-
	161.15	(2,978.76)
(ii) Exceptional items - net gain / (loss)		
a) Pharmaceutical business	(361.66)	(2,967.51)
b) Bio-pharmaceutical business	191.34	529.26
	(170.32)	(2,438.25)
(iii) Share of loss of joint ventures and associates		
a) Pharmaceutical business	(108.38)	(250.62)
b) Bio-pharmaceutical business	(2,744.45)	(857.50)
	(2,852.83)	(1,108.12)
(iv) Profit/ (loss) before tax		
a) Pharmaceutical business	(308.89)	(6,196.89)
b) Bio-pharmaceutical business	(2,553.11)	(328.24)
Profit/ (loss) before tax [i+ii+iii]	(2,862.00)	(6,525.13)
Tax expense	(553.01)	(1,782.63)
(v) Profit/(loss) after tax from continuing operations	(2,308.99)	(4,742.50)

Segment assets and liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
i) Segment Assets		
a) Pharmaceutical business	63,352.63	65,139.56
b) Bio-pharmaceutical business	3,031.57	4,619.06
Total Segment Assets	66,384.20	69,758.62
ii) Segment Liabilities		
a) Pharmaceutical business	44,655.37	45,925.46
b) Bio-pharmaceutical business	-	-
Total Segment Liabilities	44,655.37	45,925.46

Disclosures regarding geographical information: The geographical information of the Group's revenues and assets are shown separately in the table below. Segment revenues has been disclosed based on geographical location of the customers. Segment assets has been disclosed based on the geographical location of the respective assets.

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Information regarding geographical revenue from operations is as follows (including discontinued operations)

₹ In Million

Geography	For the year ended	
	31-Mar-23	31-Mar-22
North America	19,261.39	12,058.99
Australia	3,115.63	3,174.77
Africa	4,506.26	5,707.41
Europe	8,370.28	6,768.55
India	218.63	473.47
Asia (excluding India)	460.56	1,970.59
Others	143.94	66.78
	36,076.69	30,220.56
Revenue from other sources		
Other operating revenue	807.18	481.94
Revenue from operations	36,883.87	30,702.50

Information regarding geographical non-current assets is as follows*:

₹ In Million

Geography	As at	
	31-Mar-23	31-Mar-22
Africa	1,708.05	2,367.93
Australia	28.84	34.49
Asia (excluding India)	7,442.17	7,814.43
North America	5,790.25	5,631.40
Europe	1,761.10	2,430.27
India	13,630.82	15,181.67
Total	30,361.23	33,460.19

* Non current assets are excluding financial instruments and deferred tax assets.

Note No. 44 The Intra-group loans amounting to USD 3.37 Million (previous year USD 3.37 Million) given by Strides Pharma (Cyprus) Limited, Cyprus to its subsidiary Strides Lifesciences Limited, Nigeria, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation gain of ₹ 26.89 Million (previous year: exchange fluctuation gain of ₹ 19.22 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. Further, Intra-group loans amounting to EUR 11.72 Million given by Fair-Med Healthcare AG, Switzerland, to its subsidiary Fairmed Healthcare GmbH, Germany, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹ 37.59 Million (previous year: ₹ Nil Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. "

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Note No. 45 Share-based payments

Details of the employee share option plan of the Company:

(a) The ESOP titled "Strides ESOP 2016" (formerly known as Strides Shasun ESOP 2016) (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Company has granted 442,500 options (Previous year: 67,500) under this scheme during the current year.

(b) During the current year, Employee compensation costs of ₹ 16.03 Million (for the year ended March 31, 2022: ₹ 12.71 Million) relating to the above referred Employee Stock Option Plans have been recognised in the Statement of Profit and Loss.

Fair value of share options granted during the year

The fair value of the share options granted during the year under ESOP 2016 Lot XII, ESOP 2016 Lot XIII, ESOP Lot XIV and ESOP 2016 Lot XV are ₹154.79, 163.72, 126.76, and ₹161.52 respectively. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model -

Particulars	ESOP 2016-XII	ESOP 2016-XIII	ESOP 2016-XIV	ESOP 2016-XV
No. of options	3,50,000	30,000	42,500	20,000
Grant date share price	₹ 307.25	₹ 334.45	₹ 319.05	₹ 337.10
Exercise price	₹ 231.00	₹ 251.00	₹ 240.00	₹ 253.00
Expected volatility	49.22%	45.22%	19.06%	42.97%
Option life	3 years	3 years	3 years	3 years
Expected Dividend %	20.00%	20.00%	20.00%	20.00%
Risk-free interest rate	7.359%	7.414%	7.287%	7.346%

Employee stock options details as on the balance sheet date are as follows:

₹ In Million

Particulars	During the year 2022-23		During the year 2021-22	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	1,35,250	393.98	2,45,900	348.79
Granted during the year:	4,42,500	234.21	67,500	508.84
Exercised during the year**:	(46,500)	294.06	(1,22,750)	294.80
Lapsed/ cancelled during the year:	(1,61,250)	351.10	(55,400)	621.49
Options outstanding at the end of the year:*	3,70,000	237.55	1,35,250	393.98
Options available for grant:	23,09,450	-	25,90,700	-

* Includes options vested but not exercised as at March 31, 2023: Nil (March 31, 2022: 35,250)

** Includes options exercised but not allotted as at March 31, 2023: Nil (March 31, 2022: 13,500)

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b. Details of the cash settled share based payment plan of the Company:

On May 20, 2020, the Board approved "Strides Long Term Incentive Plan 2020" titled the LTIP 2020 (""the Plan""). The Plan shall be in the form of Phantom Units. Each Phantom Unit, upon exercise, entitles the awardee a cash benefit equal to the Share Price on the date of exercise minus exercise price to be paid to the Company. The vesting period of these units is one year. The units must be exercised within a period of twelve months from the date of vesting. The Company has granted Nil options (Previous year: Nil) under this scheme during the current year.

During the current year, Employee compensation cost reversal of ₹ 3.01 Million (cost reversal for the year ended March 31, 2022: ₹ 19.80 Million) relating to the Plan have been recorded in the Statement of Profit and Loss on account of final settlement of the Phantom units granted previous year.

Note No. 46 Employee Benefits Plans

Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective local labour laws.

Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of the payroll cost to fund the benefits. The group recognised ₹ 184.43 Million (previous year: ₹ 188.37 Million) for provident fund contributions, ₹ 2.28 Million (previous year: ₹ 2.35 Million) for employee state insurance scheme contributions (including costs debited to discontinued operations) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Group has no obligations beyond its contributions.

Defined benefit plan

The Company and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ In Million

Particulars	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.30% - 7.36%	6.41% - 6.91%
Expected rate(s) of salary increase	8%	10%
Mortality Rate	As per IALM (2012-14) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in respect of these defined benefit plans are as follows:

Particulars	31-Mar-23	31-Mar-22
Service cost:		
Current service cost	72.87	68.07
Net interest expense	28.23	23.71
Components of defined benefit costs recognised in statement of profit and loss	**101.10**	**91.78**
Remeasurement on the net defined benefit liability:		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	(2.43)	(1.97)
Actuarial (gains) / losses arising from changes in demographic assumptions	(18.57)	3.83
Actuarial (gains) / losses arising from changes in financial assumptions	(61.15)	(12.86)
Actuarial (gains) / losses arising from experience adjustments	(8.03)	3.67
Components of defined benefit costs recognised in other comprehensive income	**(90.18)**	**(7.33)**
Total	**10.92**	**84.45**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Present value of funded defined benefit obligation	506.00	575.73
Fair value of plan assets	(103.28)	(138.80)
Funded status	**402.72**	**436.93**
Disclosed in liabilities directly attributable to the assets held for sale	-	-
Net liability arising from defined benefit obligation	**402.72**	**436.93**

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Movements in the present value of the defined benefit obligation are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-23	31-Mar-22
Opening defined benefit obligation	575.73	519.11
Expenses recognised in statement of profit and loss		
Current service cost	72.87	68.07
Interest cost	37.69	32.46
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(18.57)	3.83
Actuarial gains and losses arising from changes in financial assumptions	(61.15)	(12.86)
Actuarial gains and losses arising from experience adjustments	(8.03)	3.67
Benefits paid	(73.74)	(38.06)
Acquisition/divestiture	(18.80)	(0.49)
Closing defined benefit obligation	**506.00**	**575.73**

Movements in the fair value of the plan assets are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-23	31-Mar-22
Opening fair value of plan assets	138.80	134.26
Remeasurement gain / (loss):		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	9.46	8.75
Contributions from the employer	-	22.00
Actuarial gain / (loss) on plan assets	2.43	1.97
Benefits paid	(47.40)	(28.19)
Closing fair value of plan assets	**103.28**	**138.80**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / (decrease) by 1%, the defined benefit obligation would be ₹ 487.77 Million (₹ 536.99 Million) as at March 31, 2023.

If the expected salary growth increases / (decrease) by 1%, the defined benefit obligation would be ₹ 534.30 Million (₹ 489.13 Million) as at March 31, 2023.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Group to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows:

₹ In Million

Financial year	Amount
2023-24	84.93
2024-25	71.16
2025-26	71.93
2026-27	73.75
2027-28	61.73
2028-29 to 2032-33	219.43

Note No. 47 Lease arrangements

The Group as lessor:

Leasing arrangement

The Group has entered into operating lease arrangement for lease of land & building for a term ranging from 1 to 18 years with non-cancellable lease period of 4 to 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Gross carrying amount of assets leased	134.99	134.04
Accumulated depreciation	(12.38)	(5.89)
Future minimum lease income:		
Not later than 1 year	2.78	16.04
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**2.78**	**16.04**

Note No. 48 Earnings per share

₹ In Million

Particulars	For the year ended	
	31-Mar-23	31-Mar-22
Basic earnings per share:		
From continuing operations	(24.56)	(51.28)
From discontinued operations	2.07	-
Total basic earnings per share	**(22.49)**	**(51.28)**
Diluted earnings per share:		
From continuing operations	(24.56)	(51.28)
From discontinued operations	2.07	-
Total diluted earnings per share	**(22.49)**	**(51.28)**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2023

Earnings used in computing basic and diluted earnings per share

₹ In Million

Particulars	For the year ended	
	31-Mar-23	31-Mar-22
Profit/(loss) attributable to the equity holders of the Company		
From continuing operations	(2,212.04)	(4,602.11)
From discontinued operations	185.69	-
Total operations	**(2,026.35)**	**(4,602.11)**

Weighted average number of shares used as the denominator

₹ In Million

Particulars	For the year ended	
	31-Mar-23	31-Mar-22
Weighted average number of equity shares used as denominator in calculating basic earnings per share	9,00,80,778	8,97,47,525
Adjustments for calculation of diluted earnings per share:		
- employee stock options	4,833	38,941
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	**9,00,85,611**	**8,97,86,466**

Note: Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Note No. 49 Related Party Transactions: List of the Related Parties

Associates	Aponia Laboratories Inc, USA
	Juno OTC Inc, Canada (upto June 14, 2021)
	Regional Bio Equivalence Centre S.C., Ethiopia
	Stelis Biopharma Limited, India (formerly Stelis Biopharma Private Limited)
	Stelis Biopharma LLC, USA (upto Jan 12, 2022)
	Stelis Biopharma UK Private Limited (with effect from Nov 30, 2022)
	Biolexis Pte. Ltd. (formerly Stelis Pte. Ltd.)
	Biolexis Private Limited, India (with effect from Jan 17, 2022)
	Strides Consumer Private Limited, India (upto Aug 8, 2022)
	Strides Consumer LLC, USA (upto Aug 8, 2022)
	Strides Global Consumer Healthcare Limited, UK (upto Aug 8, 2022)
Enterprises owned or significantly influenced by key management personnel and relative of key management personnel	Universal Corporation Limited, Kenya (with effect from September 30, 2022)
	Neviton Softech Private Limited (with effect from August 5, 2022)
	Agnus Capital LLP, India
	Agnus Ventures LLP, India
	Atma Projects, India
	Aurore Life Sciences Private Limited, India
	Aurore Pharmaceuticals Private Limited, India
	Axxelent Pharma Science Private Ltd., India (upto February 21, 2023)
	Brooks Steriscience Limited, India
	Chayadeep Properties Private Limited, India
	Dairy Power Limited, India
	Emerge Vocational Skills Private Limited, India
	Hydra Active Pharma Sciences Private Limited, India (formerly Tenshi Active Pharma Private Limited)

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Enterprises owned or significantly influenced by key management personnel and relative of key management personnel	Karuna Healthcare Private Limited, India (Merged with Tenshi Pharmaceuticals Private Limited with effect from January 06, 2023, with an appointed date April 01, 2021)
	Karuna Business Solutions LLP, India
	KR Anuradha
	Naari Pharma Private Limited, India
	Naari Pte Ltd., Singapore
	Shasun USA Inc, USA
	Shasun Enterprises LLP (Formerly known as Devendra Estates LLP)
	Six Rays LLP, India
	Six Rays Pharma Solutions LLP, India
	Six Rays Pte. Limited, Singapore
	Six Rays Holdings Pte. Ltd., Singapore
	Solara Active Pharma Sciences Limited, India
	Steriscience Specialities Private Limited, India
	Steribrooks Penems Private Limited
	Steriscience BV, Netherland
	Steriscience Spolka
	Steriscience Pte Ltd.
	Tenshi Healthcare Pte Limited, India (formerly Biolexis Pte Ltd.)
	Tenshi Kaizen Private Limited, India
	Tenshi Kaizen Pharma Pte Ltd., Singapore
	Tenshi Life Sciences Private Limited, India (Merged with Tenshi Pharmaceuticals Private Limited with effect from January 06, 2023, with an appointed date April 1, 2021)
	Tenshi Life Sciences Pte. Limited, Singapore
Joint Ventures (JV)	Tenshi Kaizen USA Inc, USA
	Tenshi Pharmaceuticals Private Limited (formerly known as Sovizen Life Sciences Private Limited, India and Steriscience Private Limited, India)
	Triphase Pharmaceuticals Pvt. Ltd., India (upto March 1, 2023)
	Velbiom Probiotics Private Limited, India (formerly Tenshi Life Care Private Limited, India)
	Venkata Narayana Active Ingredients Private Limited, India (upto February 21, 2023)
	Y Usha Rani
	Sihuan Strides (HK) Ltd., Hongkong (49%)
Key Management Personnel (KMP)	Mr. Arun Kumar, Chairman and Non-Executive Director
	Dr. R. Ananthanarayanan, Managing Director and CEO (upto March 31, 2022)
	Mr. Badree Komandur, Executive Director - Finance and Group CFO
	Mr. Deepak Vaidya, Non-Executive Director (upto November 13, 2022)
	Mr. Bharat D Shah, Independent Director
	Mr. S. Sridhar, Independent Director
	Dr. Kausalya Santhanam, Independent Director
	Mr. Homi Rustam Khusrokhan, Independent Director
	Ms. Manjula Ramamurthy, Company Secretary

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Note No. 49 Related party closing balances

₹ In Million

Particulars	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Other Financial Assets (Liabilities) and Other Assets (Liabilities):						
1 Naari Pharma Private Limited	-	-	-	-	0.40	0.36
2 Shasun USA Inc	-	-	-	-	13.65	42.49
3 Sihuan Strides (HK) Limited	(124.04)	(114.59)	-	-	-	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	1.55	20.31
5 Stelis Biopharma Limited	4.62	12.62	-	-	-	-
6 Stelis Biopharma LLC	-	-	-	-	-	-
7 Strides Consumer Private Limited	-	22.47	-	-	-	-
8 Strides Consumer LLC	-	35.77	-	-	-	-
9 Strides Global Consumer Healthcare Limited	-	7.25	-	-	-	-
10 Tenshi Life Sciences Private Limited	-	-	-	-	-	3.31
11 Tenshi Pharmaceuticals Private Limited	-	-	-	-	3.27	-
12 Velbiom Probiotics Private Limited	-	-	-	-	5.86	5.86
13 Tenshi Kaizen Private Limited	-	-	-	-	6.44	-
14 Mr. Arun Kumar	-	-	-	(0.20)	-	-
15 Dr. R Ananthanarayanan	-	-	-	111.90	-	-
16 Mr. Deepak Vaidya	-	-	-	(0.10)	-	-
17 Mr. S. Sridhar	-	-	-	(0.10)	-	-
18 Mr. Homi Rustam Khusrokhan	-	-	-	(0.10)	-	-
19 Mr. Bharat D Shah	-	-	-	(0.10)	-	-
20 Dr. Kausalya Santhanam	-	-	-	(0.10)	-	-
21 Atma Projects	-	-	-	-	29.50	-
22 Chayadeep Properties Pvt. Ltd.	-	-	-	-	12.16	-
23 Steriscience Pte Ltd.	-	-	-	-	0.58	-
24 Universal Corporation Limited	43.95	-	-	-	-	-
25 Neviton Softech Pvt. Ltd.	(7.57)	-	-	-	-	-
Loans receivable as at:						
1 Juno OTC Inc.	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	30.00	-	-	-	-
Balance of deposits paid:						
1 Atma Projects	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	20.77	21.88
3 K.R. Anuradha	-	-	-	-	46.07	-
Balance of deposits received:						
1 Solara Active Pharma Sciences Limited	-	-	-	-	7.20	7.20
2 Karuna Healthcare Private Limited	-	-	-	-	-	0.05
3 Tenshi Life Sciences Private Limited	-	-	-	-	-	0.05
4 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.10	0.05
Balance of (trade payables) net of advance paid as at:						
1 Atma Projects	-	-	-	-	-	(16.98)
2 Aurore Life Sciences Private Limited	-	-	-	-	(22.19)	(202.24)
3 Aurore Pharmaceuticals Private Limited	-	-	-	-	(54.34)	(144.40)

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₹ In Million

Particulars	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
4 Chayadeep Properties Private Limited	-	-	-	-	-	(2.44)
5 Naari Pharma Private Limited	-	-	-	-	3.68	3.40
6 Naari Pte Ltd.	-	-	-	-	(8.30)	(7.68)
7 Solara Active Pharma Sciences Limited	-	-	-	-	(2,147.84)	(1,159.58)
8 Stelis Biopharma Limited	5.64	(0.73)	-	-	-	-
9 Strides Consumer Private Limited	-	(0.22)	-	-	-	-
10 Strides Global Consumer Healthcare Limited	-	(1.25)	-	-	-	-
11 Tenshi Kaizen Private Limited	-	-	-	-	(4.73)	(8.18)
12 Tenshi Life Sciences Private Limited	-	-	-	-	-	(0.56)
13 Neviton Softech Pvt. Ltd.	(12.88)	-	-	-	-	-
14 Universal Corporation Limited	(16.21)	-	-	-	-	-
Balance of trade receivables (net of advance received) as at:						
1 Aurore Life Sciences Private Limited	-	-	-	-	0.16	0.16
2 Axxelent Pharma Science Private Ltd.	-	-	-	-	-	0.01
3 Biolexis Pte Ltd.	-	-	-	-	4.05	0.15
4 Brooks Steriscience Limited	-	-	-	-	6.19	0.41
5 Karuna Healthcare Private Limited	-	-	-	-	-	0.02
6 Naari Pharma Private Limited	-	-	-	-	1.21	29.02
7 Sihuan Strides (HK) Ltd.	64.75	43.40	-	-	-	-
8 Six Rays LLP	-	-	-	-	0.23	0.06
9 Six Rays Pharma Solutions	-	-	-	-	0.39	0.06
10 Six Rays Pte. Limited	-	-	-	-	0.25	0.49
11 Sixrays Holdings Pte Ltd.	-	-	-	-	0.23	0.26
12 Solara Active Pharma Sciences Limited	-	-	-	-	42.99	14.98
13 Stelis Biopharma Limited	122.88	29.99	-	-	-	-
14 Stelis Pte Ltd.	-	3.69	-	-	-	-
15 Steribrooks Penems Private Limited	-	-	-	-	0.09	0.09
16 Steriscience Pte Ltd.	-	-	-	-	46.87	2.77
17 Steriscience Specialties Private Limited	-	-	-	-	141.14	1.39
18 Strides Consumer Private Limited	-	14.78	-	-	-	-
19 Strides Global Consumer Healthcare Limited	-	0.12	-	-	-	-
20 Strides Consumer LLC	-	8.90	-	-	-	-
21 Tenshi Kaizen Private Limited	-	-	-	-	74.12	12.39
22 Tenshi Kaizen Pharma Pte Ltd.	-	-	-	-	0.21	0.18
23 Tenshi Kaizen USA Inc	-	-	-	-	-	1.32
24 Tenshi Life Sciences Pte Ltd.	-	-	-	-	0.17	0.15
25 Tenshi Pharmaceuticals Private Limited	-	-	-	-	28.38	0.25
26 Universal Corporation Limited	18.18	-	-	-	-	-
27 Y Usha Rani	-	-	-	-	0.16	-
28 Agnus Capital LLP	-	-	-	-	0.77	-
29 Agnus Ventures LLP	-	-	-	-	0.03	-
30 Biolexis Private Limited	11.02	-	-	-	-	-

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₹ In Million

Particulars	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
31 Chayadeep Properties Pvt. Ltd.	-	-	-	-	0.32	-
32 Hydra Active Pharma Sciences	-	-	-	-	0.94	-
33 Steriscience Spolka	-	-	-	-	4.43	-
34 Tenshi Healthcare Pte. Limited	-	-	-	-	0.50	-
35 Velbiom Probiotics Private Limited	-	-	-	-	0.35	0.58
Guarantees given on behalf of						
1 Stelis Biopharma Limited	11,778.67	4,001.93	-	-	-	-

Note No. 49 Related party transactions

₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Sales of materials/services (net of returns)						
1 Juno OTC Inc.	-	6.38	-	-	-	-
2 Steriscience Pte Limited	-	-	-	-	-	90.49
3 Stelis Biopharma Limited	0.07	0.01	-	-	-	-
4 Sihuan Strides (HK) Limited	16.12	7.44	-	-	-	-
5 Solara Active Pharma Sciences Limited	-	-	-	-	0.10	0.01
6 Steriscience Specialties Private Ltd.	-	-	-	-	47.63	0.08
7 Strides Consumer LLC	9.35	46.53	-	-	-	-
8 Strides Consumer Private Limited	10.56	8.12	-	-	-	-
9 Strides Global Consumer Healthcare Limited	12.13	3.64	-	-	-	-
10 Tenshi Kaizen Private Limited	-	-	-	-	0.08	-
11 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	0.05
12 Universal Corporation Limited	3.06	-	-	-	-	-
Sale of Property, plant and equipment						
1 Tenshi Kaizen Private Limited	-	-	-	-	-	3.20
2 Stelis Biopharma Limited	1.03	-	-	-	-	-
3 Steriscience Pte Ltd.	-	-	-	-	49.15	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	0.47	-
Sale of Investment property						
1 Karuna Business Solutions LLP	-	-	-	-	-	630.00
Purchase of Property, plant and equipment						
1 Neviton Softech Pvt. Ltd.	10.09	-	-	-	-	-
2 Solara Active Pharma Sciences Limited	-	-	-	-	0.21	-
3 Stelis Biopharma Limited	3.24	-	-	-	-	-
Guarantee Commission received						
1 Stelis Biopharma Limited	59.49	52.16	-	-	-	-
Rental income						
1 Solara Active Pharma Sciences Limited	-	-	-	-	16.01	15.18
2 Karuna Health Care Private Limited	-	-	-	-	-	0.01
3 Stelis Biopharma Limited	1.21	0.01	-	-	-	-

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₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
4 Tenshi Life Sciences Private Limited	-	-	-	-	-	0.01
5 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.17	0.01
6 Strides Consumer Private Limited	0.30	0.89	-	-	-	-
Interest income						
1 Juno OTC Inc.	-	0.56	-	-	-	-
2 Strides Consumer Private Limited	1.00	3.00	-	-	-	-
3 Stelis Biopharma Limited	0.43	-	-	-	-	-
Support service income						
1 Agnus Capital LLP	-	-	-	-	0.71	-
2 Aurore Life Sciences Private Limited	-	-	-	-	-	0.05
3 Axxelent Pharma Science Pvt. Ltd.	-	-	-	-	1.68	0.08
4 Biolexis Pte Ltd.	-	-	-	-	-	0.31
5 Brooks Steriscience Private Limited	-	-	-	-	4.90	0.35
6 Dairy Power Limited	-	-	-	-	0.38	1.20
7 Hydra Active Pharma Science Private Limited	-	-	-	-	0.80	0.75
8 Naari Pharma Private Limited	-	-	-	-	22.36	24.10
9 Naari Pharma Pte Limited	-	-	-	-	22.23	-
10 Shasun USA Inc	-	-	-	-	-	13.28
11 Six Rays LLP	-	-	-	-	0.60	0.60
12 Six Rays Pharma Solutions LLP	-	-	-	-	0.97	0.61
13 Six Rays Pte. Limited	-	-	-	-	0.33	0.31
14 Sixrays Holdings Pte Ltd.	-	-	-	-	0.34	0.26
15 Solara Active Pharma Sciences Limited	-	-	-	-	70.94	107.99
16 Stelis Biopharma Limited	162.04	85.43	-	-	-	-
17 Stelis Pte Ltd.	-	3.36	-	-	-	-
18 Steribrooks Penems Private Limited	-	-	-	-	0.38	1.48
19 Steriscience BV	-	-	-	-	-	0.07
20 Steriscience Pte Ltd.	-	-	-	-	73.20	8.06
21 Biolexis Private Limited	10.20	-	-	-	-	-
22 Agnus Ventures LLP	-	-	-	-	0.03	-
23 Chayadeep Properties Pvt. Ltd.	-	-	-	-	0.33	-
24 Emerge Vocational Skills Private Limited	-	-	-	-	0.05	-
25 Steriscience Spolka	-	-	-	-	4.43	-
Support service income						
26 Steriscience Specialties Private Ltd.	-	-	-	-	92.60	13.92
27 Strides Consumer LLC	0.50	5.77	-	-	-	-
28 Strides Consumer Private Limited	1.21	6.29	-	-	-	-
29 Strides Global Consumer Healthcare Limited	1.68	5.15	-	-	-	-
30 Tenshi Kaizen Private Limited	-	-	-	-	52.81	24.82
31 Tenshi Kaizen Pharma Pte Ltd.	-	-	-	-	-	0.08
32 Tenshi Kaizen USA Inc	-	-	-	-	-	0.45
33 Tenshi Life Science Pte Ltd.	-	-	-	-	0.33	0.31
34 Tenshi Life Sciences Private Limited	-	-	-	-	-	38.36
35 Tenshi Pharmaceuticals Private Limited	-	-	-	-	33.85	2.45
36 Triphase Pharmaceuticals Pvt. Ltd.	-	-	-	-	0.48	0.48

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₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
37 Velbiom Probiotics Private Limited	-	-	-	-	1.20	1.40
38 Universal Corporation Limited	1.99	-	-	-	-	-
39 Tenshi Healthcare Pte. Limited	-	-	-	-	0.34	-
40 Y Usha Rani	-	-	-	-	1.69	-
Support service expense						
1 Strides Consumer Private Limited	0.40	1.19	-	-	-	-
Purchase of materials/services						
1 Aurore Life Sciences Private Limited	-	-	-	-	116.00	245.03
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	32.28	336.60
3 Naari Pharma Private Limited	-	-	-	-	-	3.44
4 Naari Pte Ltd.	-	-	-	-	10.88	10.91
5 Solara Active Pharma Sciences Limited	-	-	-	-	2,252.40	1,109.05
6 Stelis Biopharma Limited	-	46.03	-	-	-	-
7 Strides Global Consumer Healthcare Limited	1.49	8.78	-	-	-	-
8 Tenshi Kaizen Private Limited	-	-	-	-	10.96	19.42
9 Venkata Narayana Active Ingredients	-	-	-	-	7.08	-
10 Neviton Softech Pvt. Ltd.	6.75	-	-	-	-	-
11 Universal Corporation Limited	0.61	-	-	-	-	-
Purchase / (returns) of Intangibles						
1 Stelis Biopharma Limited	-	(7.31)	-	-	-	-
Short Term Employee Benefits paid to (Refer note (i) below)						
1 Mr. Arun Kumar	-	-	-	-	-	-
2 Dr. R Ananthanarayanan	-	-	-	88.85	-	-
3 Mr. Badree Komandur	-	-	36.50	46.05	-	-
4 Ms. Manjula Ramamurthy	-	-	5.86	7.63	-	-
Employee stock option expenses						
1 Mr. Badree Komandur	-	-	-	0.24	-	-
2 Ms. Manjula Ramamurthy	-	-	-	0.05	-	-
Sitting Fees paid to						
1 Mr. Arun Kumar	-	-	-	0.80	-	-
1 Dr. Kausalya Santhanam	-	-	2.81	3.09	-	-
2 Mr. Deepak Vaidya	-	-	0.70	1.30	-	-
3 Mr. S. Sridhar	-	-	1.20	1.30	-	-
4 Mr. Homi Rustam Khusrokhan	-	-	1.20	1.30	-	-
5 Mr. Bharat D Shah	-	-	1.20	1.20	-	-
Remuneration to Non-executive Directors						
1 Mr. Arun Kumar	-	-	-	-	-	-
2 Mr. Deepak Vaidya	-	-	-	-	-	-
3 Dr. Kausalya Santhanam	-	-	-	-	-	-
4 Mr. S. Sridhar	-	-	-	-	-	-
5 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-
6 Mr. Bharat D Shah	-	-	-	-	-	-
Lease Payments						
1 Atma Projects	-	-	-	-	94.32	90.32
2 Chayadeep Properties Private Limited	-	-	-	-	29.76	37.91

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₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
3 Shasun Enterprises LLP	-	-	-	-	-	2.29
4 K.R. Anuradha	-	-	-	-	21.26	-
Loans / advances given / repaid by the group						
1 Stelis Biopharma Limited	36.00	-	-	-	-	-
Loans / advances taken by Company / repaid to the group						
1 Stelis Biopharma Limited	36.00	-	-	-	-	-
Reimbursement of expenses incurred on behalf of						
1 Agnus Ventures LLP	-	-	-	-	-	0.09
2 Chayadeep Properties Private Limited	-	-	-	-	-	0.30
3 Naari Pharma Private Limited	-	-	-	-	2.53	0.16
4 Solara Active Pharma Sciences Limited	-	-	-	-	10.84	0.01
5 Stelis Biopharma LLC	-	3.68	-	-	-	-
6 Stelis Biopharma Limited	32.41	3.96	-	-	-	-
7 Steriscience Pte Limited	-	-	-	-	0.57	9.18
8 Steriscience Specialties Private Ltd.	-	-	-	-	20.75	0.00
9 Strides Consumer Private Limited	0.51	13.05	-	-	-	-
10 Strides Consumer LLC	4.71	8.08	-	-	-	-
11 Strides Global Consumer Healthcare Limited	1.67	9.41	-	-	-	-
12 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.02	-
13 Tenshi Kaizen Private Limited	-	-	-	-	10.69	-
14 Tenshi Kaizen USA Inc	-	-	-	-	-	1.38
15 Universal Corporation Limited	2.51	-	-	-	-	-
16 Naari Pte Ltd.	-	-	-	-	24.77	-
Reimbursement of expenses incurred by						
1 Aurore Life Sciences Private Limited	-	-	-	-	-	0.04
2 Chayadeep Properties Private Limited	-	-	-	-	3.16	1.22
3 Juno OTC Inc.	-	0.53	-	-	-	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	122.92	98.13
5 Strides Consumer Private Limited	0.01	-	-	-	-	-
6 Tenshi Kaizen USA Inc	-	-	-	-	-	6.35
7 Strides Global Consumer Healthcare Limited	0.49	3.77	-	-	-	-
8 Stelis Biopharma Limited	5.60	-	-	-	-	-
9 Aurore Pharmaceuticals Private Ltd.	-	-	-	-	0.11	-
10 Steriscience Specialties Private Limited	-	-	-	-	0.18	-
11 Tenshi Kaizen Private Limited	-	-	-	-	6.37	-
12 Axxelent Pharma Science Private Limited	-	-	-	-	3.49	-
13 Naari Pharma Private Limited	-	-	-	-	0.17	-
Lease deposit received						
1 Tenshi Life Sciences Private Limited	-	-	-	-	-	0.05
2 Karuna Health Care Private Limited	-	-	-	-	-	0.05
3 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	0.05
Lease deposit Paid/ (refund)						
1 Atma Projects	-	-	-	-	-	-
2 Chayadeep Properties Private Limited	-	-	-	-	-	(11.35)

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₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Investments during the year						
1 Stelis Biopharma Limited	970.09	51.06	-	-	-	-
Guarantee / Security given						
1 Stelis Biopharma Limited	1,954.80	-	-	-	-	-

Notes

i. The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

ii. Transactions and balances with its own subsidiaries which are eliminated on consolidation are not included above.

Note No. 50 Subsidiary information

50.1 Details of the Group's subsidiaries at the end of the reporting period are as follows:

Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				31-Mar-23	31-Mar-22
1	Altima Innovations Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
2	Apollo Life sciences Holdings Proprietary Limited	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
3	Arco Lab Private Limited	Outsourcing and business support services	India	100.00%	100.00%
4	Arrow Life Sciences (Malaysia) SDN. BHD.	Trading in pharmaceutical products	Malaysia	100.00%	100.00%
5	Arrow Pharma Pte. Ltd.[##]	Investment Holding	Singapore	0.00%	100.00%
6	Arrow Pharma (Private) Limited[*]	Trading in pharmaceutical products	Sri Lanka	0.00%	0.00%
7	Arrow Pharma Life Inc.[*]	Trading in pharmaceutical products	Philippines	0.00%	0.00%
8	Beltapharm S.P.A	Manufacturing and trading in pharmaceutical products	Italy	97.94%	97.94%
9	Eris Pharma GmbH	Trading in Pharmaceutical products	Germany	70.00%	70.00%
10	Fair-Med Healthcare AG	Trading in Pharmaceutical products	Switzerland	70.00%	70.00%
11	Fairmed Healthcare GmbH	Trading in Pharmaceutical products	Germany	70.00%	70.00%
12	Generic Partners (International) Pte. Ltd.[#]	Supplying and distributing generic pharmaceutical products	Singapore	0.00%	0.00%
13	Generic Partners (Canada) Inc[*]	Supplying and distributing generic pharmaceutical products	Canada	0.00%	0.00%
14	Generic Partners UK Ltd.	Supplying and distributing generic pharmaceutical products	UK	100.00%	100.00%
15	Generic Partners (R&D) Pte Limited[#]	Development of pharmaceutical products	Singapore	0.00%	0.00%
16	Pharmapar Inc.	Trading in pharmaceutical products	Canada	100.00%	100.00%
17	Shasun Pharma Solutions Inc.[*]	Trading in pharmaceutical products	USA	0.00%	0.00%
18	Stabilis Pharma Inc.[##]	Trading in pharmaceutical products	USA	0.00%	100.00%

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Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				31-Mar-23	31-Mar-22
19	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	100.00%
20	Strides Arcolab International Ltd.	Investment Holding	UK	100.00%	100.00%
21	Strides CIS Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
22	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-
23	Strides LifeSciences Limited	Trading in pharmaceutical products	Nigeria	100.00%	100.00%
24	Strides Netherlands B.V.	Trading in pharmaceutical products	Netherlands	100.00%	100.00%
25	Strides Nordics ApS	Trading in pharmaceutical products	Denmark	100.00%	100.00%
26	Strides Pharma (Cyprus) Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
27	Strides Pharma (SA) Pty Ltd.	Trading in pharmaceutical products	South Africa	60.00%	60.00%
28	Strides Pharma Global (UK) Ltd.	Investment Holding	UK	100.00%	100.00%
29	Strides Pharma Asia Pte. Ltd.	Investment Holding	Singapore	100.00%	100.00%
30	Strides Pharma Science Pty Ltd.	Trading in pharmaceutical products	Australia	100.00%	100.00%
31	Strides Pharma Canada Inc.	Trading in pharmaceutical products	Canada	100.00%	100.00%
32	Strides Pharma Global Pte. Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%
33	Strides Pharma Inc.	Manufacturing and trading in pharmaceuticals products	USA	100.00%	100.00%
34	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%
35	Strides Pharma UK Ltd.	Trading in pharmaceutical products	UK	100.00%	100.00%
36	Strides Pharma Latina, SA De CV	Trading in pharmaceutical products	Mexico	80.00%	80.00%
37	Strides Pharma Services Private Limited**	Providing business support services in pharmaceutical and biopharmaceutical sectors	India	100.00%	0.00%
38	Strides Vivimed Pte. Ltd.#	Trading in pharmaceutical products	Singapore	0.00%	0.00%
39	SVADS Holdings SA	Develop and trade in pharmaceutical products	Switzerland	100.00%	100.00%
40	Trinity Pharma (Pty) Ltd.	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
41	Universal Corporation Limited^	Manufacturing, development and trading in pharmaceuticals products	Kenya	49.00%	51.00%
42	Vensun Pharmaceuticals, Inc.	Develop and trade in pharmaceutical products	USA	100.00%	100.00%
43	Vivimed Life Sciences Private Limited	Manufacturing, development and trading in pharmaceuticals products	India	100.00%	100.00%

Notes

* Divested/Liquidated during the previous year.

\# Merged in the previous year (Refer note 50.2)

^ Ceased to be subsidiary with effect from September 30, 2022 (Refer note 40.4)

** Incorporated during the year (Refer note 50.2)

\## Merged in the current year (Refer note 50.2)

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50.2 Change in the Group's ownership interest in a subsidiary:

50.2.1 (i) As part of corporate restructuring, the following restructuring / reorganisation were done within the Group:

a) During the year, the equity shareholding reduced to below majority in Universal Corporation, Kenya (UCL). However, the Group continues to have board representation to exercise significant influence. Accordingly, the Group will account for its investment in UCL as an investment in associate under equity method.

(ii) Following entities have been acquired / incorporated within the Group:

a) During the year, Strides Pharma Services Private limited, India was incorporated as wholly owned subsidiary of Arcolab Private Limited, India

(iii) Following entities have been merged with other entities within the Group:

a) During the year, the wholly owned subsidiary of the Group namely, Stabilis Pharma Inc., got merged with another wholly owned subsidiary of the Group, Strides Pharma Inc., with effect from 1 July, 2022. The merger had no impact on Consolidated financial statements, since this entity was already being consolidated.

b) During the year, the wholly owned subsidiary of the group, namely, Arrow Pharma Pte. Ltd. got merged with another wholly owned subsidiary of the group, Strides Pharma Asia Pte. Ltd., Singapore, with effect from March 30, 2023. The merger was approved by the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The merger had no impact on Consolidated financial statements, since this entity was already being consolidated.

c) During the previous year, the wholly owned subsidiaries of the group, namely, Generic Partners (International) Pte Limited, Generic Partners (R&D) Pte Limited, and Strides Vivimed Pte Limited got merged with another wholly owned subsidiary of the group, Strides Pharma Global Pte. Limited, Singapore, with effect from 1 June, 2021. The merger was approved by the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The merger had no impact on Consolidated financial statements, since these entities were already being consolidated.

Note No. 51 Financial instruments

51.1 Categories of financial instruments

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Investment in Mutual funds	508.40	-
Measured at amortised cost		
(a) Cash and bank balances	3,159.63	1,873.52
(b) Loans	77.80	78.24
(c) Trade receivables	12,994.02	12,073.01
(d) Other financial assets at amortised cost	1,290.01	6,357.00
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	36.42	9.08
(b) Investments in certain equity instruments designated upon initial recognition	530.41	47.83

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₹ In Million

Particulars	31-Mar-23	31-Mar-22
Financial liabilities:		
Measured at fair value through profit or loss (FVTPL)		
(a) Gross obligation under written put option	74.84	242.88
(b) Derivative financial liabilities	-	1.79
(c) Other financial liabilities	138.41	506.63
Measured at amortised cost		
(a) Borrowings (including current maturities of non-current borrowings)	27,744.59	27,919.60
(b) Security deposit	11.96	29.00
(c) Trade payables	9,823.43	10,715.24
(d) Unclaimed dividends	9.72	10.91
(e) Payables on purchase of property, plant and equipments and intangible assets	72.13	171.06
(f) Payables on purchase of non-current investments	131.61	114.59
(g) Lease liabilities	2,551.13	2,330.65
(h) Other financial liabilities	587.05	573.95
Measured at FVTOCI	55.48	73.28

51.1.1 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

51.1.2 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

₹ In Million

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-23	31-Mar-22		
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	36.42	9.08	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Equity investments at FVTOCI (unquoted)	509.58	-	Level 3	The fair value of the said investment is derived based on the estimated cashflows that is expected to be generated in future and discounted for the present value using the risk free interest rate / weighted average cost of capital.
Investment in Mutual fund (quoted)	508.40	-	Level 1	The fair value is determined based on the Net asset value published by respective funds.
Investment in equity instruments at FVTOCI (quoted)	20.83	47.83	Level 1	The fair value of the said investment is derived based on the quoted prices on stock exchanges.
Financial liabilities:				
Gross obligation under put options	74.84	242.88	Level 3	The said obligation under put options are valued basis expected payout. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate). Refer note (a) below
Contingent consideration payable	108.41	473.63	Level 3	The fair value has been derived based on the estimated payout based on the projected profits of the subsidiary and discounted for the present value using the risk free interest rate / weighted average cost of capital.
Cash settled share based payments (FVTPL)	30.00	33.00	Level 1	The fair value of cash settled share based payments is determined using underlying value of the equity shares of the company.
Foreign currency forward contracts designated in hedge accounting relationships (FVTPL)	-	1.79	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	55.48	3.84	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Interest rate swaps designated in hedge accounting relationships (FVTOCI)	-	69.44	Level 2	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Notes:

a) There is a wide range of possible fair value measurements for the valuation of exercise price of written-put options included in Level 3 of fair value hierarchy and the amount considered above represents the estimate of the fair value within that range.

Reconciliation of Level 3 fair value measurements

a) Gross obligation under put options

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Opening balance	242.88	330.81
Less: Exercise of put options	-	(95.00)
Add: Cancellation / losses in the statement of profit and loss	(172.25)	9.11
Add: Currency translations in other comprehensive income	4.21	(2.04)
Closing balance	**74.84**	**242.88**

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b) Contingent consideration payable

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Opening balance	473.63	408.91
Disposal / settlements	-	(26.43)
Add: Unwinding / fair valuation in the statement of profit and loss	(396.34)	74.63
Less: Currency translations in other comprehensive income	31.12	16.52
Closing balance	**108.41**	**473.63**

The above said gain / loss on fair valuation of options and contingent consideration is recognised in the statement of profit and loss under "Exceptional items".

51.1.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

₹ In Million

Particulars	31-Mar-23		31-Mar-22	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans receivable	77.80	77.80	78.24	78.24
Security deposit	334.07	383.71	380.70	407.51
Financial liabilities				
Borrowings	27,744.59	27,885.80	27,919.60	27,978.73

51.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

51.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

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51.3.1 Forward exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the following:

a. repayments of specific foreign currency borrowings.

b. the risk associated with anticipated sales transactions out to 6 months within 50% to 70% of the exposure generated.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2023					
Sell USD					
Less than 3 months	Forecasted sales	80.58	30.00	2,421.83	2,371.01
3 to 6 months		82.79	25.00	2,067.92	2,064.50
6 to 12 months		-	-	-	-
Sell AUD					
Less than 3 months	Forecasted sales	-	-	-	-
3 to 6 months		58.33	7.50	437.49	455.65
6 to 12 months		58.72	7.50	440.43	457.45
Total				**5,367.67**	**5,348.61**
As at March 31, 2022					
Sell AUD					
Less than 3 months	Forecasted sales	57.64	6.00	345.84	348.86
3 to 6 months		57.13	6.00	342.78	338.94
6 to 12 months		59.23	12.00	704.40	710.46
Total				**1,393.02**	**1,398.26**

The line-items in the Consolidated balance sheet that include the above hedging instruments are "Other financial assets".

Contracts not designated in a cash flow hedge

Outstanding contracts	Average exchange rate (₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2023				
Trade payable hedged with forward contract with maturity less than 3 months	-	-	-	-
Total			**-**	**-**
As at March 31, 2022				
Trade payable hedged with forward contract with maturity less than 3 months	15.17	0.50	39.05	37.26
Total			**39.05**	**37.26**

*Average exchange rate of ZAR per USD

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The details of unhedged foreign currency exposure are as follows:

₹ In Million

Amount receivable/(payable)	As at 31-Mar-23		As at 31-Mar-22	
Exposure to the Currency	in foreign Currency	in INR	in foreign Currency	in INR
USD	46.44	3,817.14	(7.28)	(552.75)
AUD	33.01	1,814.10	118.67	6,740.61
EUR	32.17	2,866.16	12.02	1,009.95
GBP	4.84	490.35	13.43	1,339.80
SGD	(25.65)	(1,584.18)	(27.17)	(1,522.13)
Others	15.03	249.48	2.63	165.74

51.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Group is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ In Million

Particulars	Increase / (decrease) in profit		Increase / (decrease) in equity	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Appreciation in the USD	190.86	(27.64)	131.10	(16.04)
Depreciation in the USD	(190.86)	27.64	(131.10)	16.04
Appreciation in the EUR	143.31	50.50	102.48	34.69
Depreciation in the EUR	(143.31)	(50.50)	(102.48)	(34.69)
Appreciation in the AUD	90.70	337.03	58.81	254.90
Depreciation in the AUD	(90.70)	(337.03)	(58.81)	(254.90)
Appreciation in the GBP	24.52	66.99	9.75	37.56
Depreciation in the GBP	(24.52)	(66.99)	(9.75)	(37.56)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

51.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Group to cash flow risk. Debt issued at fixed rate exposes the Group to fair value risk. The Group mitigates its interest rate risk by entering into interest rate swap contracts. The Group has not entered into any interest rate swap contracts during the year.

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51.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks, secured long term loans from others, unsecured long term loans, secured short term loans from banks and unsecured short term loans from banks and others. The substantial portion of the borrowings of the Group have a floating rate of interest (refer note 22). The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 278.86 Million (Previous year: ₹ 279.79 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

51.4.2 Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the reporting period end.

(a) Contracts designated in a cash flow hedge

Borrowing in USD floating rate swapped for repayment in USD fixed rate at March 31, 2023:

₹ In Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year		-	-
1 to 2 years		-	-
2 to 5 years		-	-
5 years +		-	-
Total		**-**	**-**

Borrowing in USD floating rate swapped for repayment in USD fixed rate at March 31, 2022:

₹ In Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	6.17%	1,003.04	985.48
1 to 2 years		759.30	742.00
2 to 5 years		1,518.60	1,484.02
5 years +		-	-
Total		**3,280.94**	**3,211.50**

The line-item in the consolidated balance sheet that includes the above instruments is "Other financial liabilities".

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

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51.5 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than for trading purposes.

51.5.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, other comprehensive income for the year ended March 31, 2023 would increase/decrease by ₹ 1.04 Million (for the year ended March 31, 2022: increase/decrease by ₹ 2.39 Million) as a result of the changes in fair value of equity investments measured at FVTOCI.

51.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit Risk to the group primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, loans, financial instruments and deposits with banks and financial institutions and other financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group has an internal mechanism of determining the credit risk of the customers and setting credit limits. Credit risk is controlled by analysing the credit limits and credit worthiness of customers on a continuous basis to whom credit has been given after obtaining necessary approvals.

The Group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates as given in the provision matrix. The Provision matrix at the end of reporting period as follows:

₹ In Million

Age of receivables	31-Mar-23		31-Mar-22	
	Trade receivable	Expected credit loss allowance	Trade receivable	Expected credit loss allowance
Within Credit	10,456.67	40.15	10,098.76	65.72
Less than 180 Days	1,734.72	60.82	1,523.55	23.75
180-360 Days	438.87	55.92	256.95	40.35
360-540 Days	298.86	112.92	102.46	37.85
540-720 Days	92.24	66.19	6.47	5.67
Over 720 Days	424.95	116.29	507.06	248.90
Total	**13,446.31**	**452.29**	**12,495.25**	**422.24**

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Movement in Expected credit loss allowance

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Balance at the beginning of the year	422.24	620.18
Written off / provided during the year	344.17	(14.08)
Movement in Expected credit loss allowance on trade receivables (including reclassification, exchange)	(314.12)	(183.86)
Balance at end of the year	**452.29**	**422.24**

51.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the Group's surplus cash is retained as investments in Liquid Mutual Funds or fixed deposits to fund short term requirements.

51.7.1 Liquidity analysis for non-derivative liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay. Also, refer note 2.

₹ In Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2023	16,359.46	2,286.84	7,596.95	653.89	126.25	862.43	27,885.82	27,744.59
- As on March 31, 2022	19,563.37	5,654.25	937.25	762.98	238.52	822.36	27,978.73	27,919.60
Interest payable on borrowings								
- As on March 31, 2023	159.26	-	-	-	-	-	159.26	159.26
- As on March 31, 2022	58.10	-	-	-	-	-	58.10	58.10
Lease Liabilities								
- As on March 31, 2023	532.48	387.04	395.80	355.75	220.56	1,940.38	3,832.01	2,551.13
- As on March 31, 2022	483.83	397.79	257.76	259.84	212.61	1,941.17	3,553.00	2,330.65
Trade and other payable not in net debt								
- As on March 31, 2023	10,590.22	41.43	-	-	-	-	10,631.65	10,615.05
- As on March 31, 2022	11,743.52	215.34	186.86	-	-	29.62	12,175.34	12,063.28

51.8 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 9, 11,1 7, 18 and 22 offset by cash and bank balances and Investment in Mutual funds) and total equity of the Group.

The Group reviews the capital structure of the Group on a quarterly basis to ensure that it in compliance with the required covenants. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2023 is 1.11 (March 31, 2022: 1.09).

The Group is not subject to any externally imposed capital requirements.

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51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Debt (i)	27,744.59	27,919.60
Less:		
Investment in Mutual funds	508.40	-
Cash and bank balances	3,159.63	1,873.52
Fixed deposits with banks with more than 12 months maturity	31.96	12.91
Net Debt (A)	**24,044.60**	**26,033.17**
Total Equity (B)	**21,728.83**	**23,833.16**
Net debt to equity ratio (A/B)	**1.11**	**1.09**

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings and does not include obligations relating to derivatives over non-controlling interests.

Note No. 52 Transfer Pricing

The detailed transfer pricing regulations ('regulations') for computing the income from "domestic transactions" with specified parties and international transactions between 'associated enterprises' on an 'arm's length' basis is applicable to the Group. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant which is to be filed with the Income tax authorities.

The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the transactions with associated enterprises and domestic transactions are at arm's length, and hence the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 53 (a) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2023

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Pharma Science Limited	42.63%	34,551.46	-0.93%	47.90	-6.91%	36.15	-1.48%	84.05
Indian Subsidiaries:						-		
Arco Lab Private Limited	1.67%	1,352.82	-2.20%	113.42	-1.56%	8.17	-2.14%	121.59
Strides Pharma Services Private limited	0.00%	(0.23)	0.02%	(1.23)	0.00%	-	0.02%	(1.23)
Strides Foundation Trust	0.03%	21.04	0.19%	(9.62)	0.00%	-	0.17%	(9.62)
Vivimed Lifesciences Private Limited	0.29%	231.73	4.91%	(252.98)	0.05%	(0.27)	4.46%	(253.25)
Foreign Subsidiaries:								
Altima Innovations Inc.	0.00%	0.59	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Apollo Life Sciences Holdings Proprietary Limited	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)

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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	0.07	-0.02%	0.95	0.00%	-	-0.02%	0.95
Arrow Pharma Pte Limited	0.00%	1.01	0.01%	(0.33)	0.00%	-	0.01%	(0.33)
Beltapharm SpA	0.30%	239.33	-0.23%	12.11	0.00%	-	-0.21%	12.11
ERIS Pharma GmbH Germany	-0.05%	(40.62)	0.39%	(20.35)	0.00%	-	0.36%	(20.35)
Fairmed Healthcare AG, Switzerland	-0.20%	(158.49)	3.21%	(165.74)	0.00%	-	2.92%	(165.74)
Fair-Med Healthcare GmbH, Germany	-2.50%	(2,022.47)	7.02%	(361.80)	0.00%	-	6.37%	(361.80)
Generic Partners UK Limited	0.05%	40.29	0.04%	(1.89)	0.00%	-	0.03%	(1.89)
Pharmapar Inc.	-0.19%	(152.72)	0.34%	(17.50)	0.00%	-	0.31%	(17.50)
Stelis Biopharma (Malaysia) SDN. BHD.	0.12%	100.86	-0.09%	4.44	0.00%	-	-0.08%	4.44
Strides Arcolab International Limited	5.26%	4,260.93	5.24%	(270.37)	115.58%	(604.35)	15.40%	(874.72)
Strides CIS Limited	-0.05%	(41.07)	0.73%	(37.58)	0.00%	-	0.66%	(37.58)
Strides Life Sciences Limited	-0.33%	(268.87)	0.75%	(38.61)	0.00%	-	0.68%	(38.61)
Strides Pharma (Cyprus) Limited	2.07%	1,680.51	-4.86%	250.80	0.00%	-	-4.42%	250.80
Strides Pharma (SA) Pty Limited	-0.13%	(102.53)	1.84%	(94.73)	0.00%	-	1.67%	(94.73)
Strides Netherlands B.V.	0.03%	26.75	-0.14%	7.25	0.00%	-	-0.13%	7.25
Strides Nordic ApS,	0.08%	61.09	-1.33%	68.78	0.00%	-	-1.21%	68.78
Strides Pharma Science Pty Ltd.	0.05%	42.09	0.34%	(17.70)	0.00%	-	0.31%	(17.70)
Strides Pharma Global (UK) Limited	1.88%	1,523.89	1.77%	(91.45)	1.90%	(9.95)	1.79%	(101.40)
Strides Pharma Asia Pte Limited	20.26%	16,422.34	-3.51%	181.22	0.00%	-	-3.19%	181.22
Strides Pharma Canada Inc.	0.50%	408.54	2.13%	(109.84)	0.00%	-	1.93%	(109.84)
Strides Pharma Global Pte Limited	16.79%	13,607.59	32.58%	(1,680.26)	-11.66%	60.98	28.51%	(1,619.28)
Strides Pharma Inc.	9.19%	7,447.19	-10.01%	516.09	2.60%	(13.61)	-8.85%	502.48
Strides Pharma International Limited	1.66%	1,343.40	-2.19%	112.99	0.00%	-	-1.99%	112.99
Strides Pharma UK Limited	1.13%	919.47	-3.19%	164.76	0.00%	-	-2.90%	164.76
Strides Shasun Latina, SA de CV	0.03%	20.32	0.03%	(1.62)	0.00%	-	0.03%	(1.62)
SVADS Holdings SA	0.55%	446.51	0.89%	(46.09)	0.00%	-	0.81%	(46.09)
Trinity Pharma Proprietary Limited	0.48%	391.03	-2.77%	142.81	0.00%	-	-2.51%	142.81
Universal Corporation Limited (upto September 30, 2022)	0.00%	-	13.73%	(708.24)	0.00%	-	12.47%	(708.24)
Vensun Pharmaceuticals Inc.	-1.61%	(1,307.71)	0.00%	-	0.00%	-	0.00%	-
Indian Associates:								
Stelis Biopharma Limited	0.00%	-	53.21%	(2,744.33)	0.00%	-	48.31%	(2,744.33)
Strides Consumer Private Limited	0.00%	-	0.16%	(8.10)	0.00%	-	0.14%	(8.10)
Neviton Softech Private Limited	0.00%	-	-0.19%	9.99	0.00%	-	-0.18%	9.99
Biolexis Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Associates:								
Aponia Laboratories Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Regional Bio Equivalence Centre S.C.,	0.00%	-	0.00%	-	0.00%	-	0.00%	-

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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Biolexis Pte Limited (formerly Stelis Pte Limited)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stelis Biopharma UK Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Consumer LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Universal Corporation Limited	0.00%	-	0.50%	(25.87)	0.00%	-	0.46%	(25.87)
Strides Global Consumer Healthcare Limited	0.00%	-	1.51%	(78.09)	0.00%	-	1.37%	(78.09)
Foreign Joint ventures:						-		
Sihuan Strides (HK) Limited	0.00%	-	0.12%	(6.43)	0.00%	-	0.11%	(6.43)
Total	**100.00%**	**81,046.14**	**100.00%**	**(5,157.29)**	**100.00%**	**(522.88)**	**100.00%**	**(5,680.17)**
a) Adjustments arising out of consolidation		(58,923.56)		3,130.94		662.56		3,793.50
b) Minority Interest in all subsidiaries:								
Foreign Subsidiaries:		(393.75)		(96.95)		(60.52)		(157.47)
Total		**21,728.83**		**(2,123.30)**		**79.16**		**(2,044.14)**

(i) Share of discontinued operations included above is as follows:

₹ In Million

Particulars	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
Australia Business	185.69	-	185.69
Total	**185.69**	**-**	**185.69**

(ii) The amounts given here in respect of associates and joint ventures are the share of the Group in the profit or loss of the respective associates and joint ventures.

Note No. 53 (b) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2022

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Pharma Science Limited	43.26%	34,066.72	-27.55%	1,801.88	-55.78%	(40.22)	-27.24%	1,761.66
Indian Subsidiaries:								
Arco Lab Private Limited	0.20%	161.18	-0.48%	31.31	8.38%	6.04	-0.58%	37.35
Strides Foundation Trust	0.04%	30.67	0.01%	(0.34)	0.00%	-	0.01%	(0.34)
Vivimed Lifesciences Private Limited	0.62%	484.98	1.66%	(108.82)	1.79%	1.29	1.66%	(107.53)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Foreign Subsidiaries:						-		
Altima Innovations Inc.	0.00%	0.58	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Apollo Life Sciences Holdings Proprietary Limited	0.00%	-	-0.06%	4.23	0.00%	-	-0.07%	4.23
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	(0.88)	0.00%	(0.29)	0.00%	-	0.00%	(0.29)
Arrow Pharma (Private) Limited	0.00%	-	0.00%	(0.31)	0.00%	-	0.00%	(0.31)
Arrow Pharma Life Inc.	0.00%	-	-0.02%	1.36	0.00%	-	-0.02%	1.36
Arrow Pharma Pte Limited	0.00%	0.86	0.01%	(0.98)	0.00%	-	0.02%	(0.98)
Beltapharm SpA	0.22%	176.66	0.35%	(22.77)	0.00%	-	0.35%	(22.77)
ERIS Pharma GmbH Germany	-0.03%	(22.87)	0.07%	(4.40)	0.00%	-	0.07%	(4.40)
Fairmed Healthcare AG, Switzerland	-0.04%	(31.23)	3.41%	(223.05)	0.00%	-	3.45%	(223.05)
Fair-Med Healthcare GmbH, Germany	-2.07%	(1,633.06)	5.96%	(389.47)	0.00%	-	6.02%	(389.47)
Generic Partners R&D Pte Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Generic Partners (Canada) Inc.	0.00%	-	-0.19%	12.60	0.00%	-	-0.19%	12.60
Generic Partners (International) Pte Limited	0.00%	-	0.00%	0.10	0.00%	-	0.00%	0.10
Generic Partners UK Limited	0.05%	41.57	0.04%	(2.72)	0.00%	-	0.04%	(2.72)
Pharmapar Inc.	-0.17%	(135.05)	1.97%	(128.73)	0.00%	-	1.99%	(128.73)
Shasun Pharma Solutions Inc.	0.00%	-	-0.01%	0.70	0.00%	-	-0.01%	0.70
Stabilis Pharma Inc.	0.00%	(0.20)	0.00%	(0.24)	0.00%	-	0.00%	(0.24)
Stelis Biopharma (Malaysia) SDN. BHD.	0.12%	92.98	-0.02%	1.34	0.00%	-	-0.02%	1.34
Strides Arcolab International Limited	6.05%	4,760.64	7.33%	(479.28)	0.00%	-	7.41%	(479.28)
Strides CIS Limited	0.00%	(2.54)	0.00%	0.28	0.00%	-	0.00%	0.28
Strides Life Sciences Limited	-0.30%	(233.65)	0.87%	(56.90)	0.00%	-	0.88%	(56.90)
Strides Pharma (Cyprus) Limited	1.69%	1,334.20	-3.30%	215.90	0.00%	-	-3.34%	215.90
Strides Pharma (SA) Pty Limited	-0.05%	(40.32)	0.48%	(31.50)	0.00%	-	0.49%	(31.50)
Strides Netherlands B.V.	0.02%	17.99	-0.22%	14.42	0.00%	-	-0.22%	14.42
Strides Nordic ApS,	-0.01%	(11.36)	0.41%	(26.61)	0.00%	-	0.41%	(26.61)
Strides Pharma Science Pty Ltd.	0.05%	39.35	0.36%	(23.58)	0.00%	-	0.36%	(23.58)
Strides Pharma Global (UK) Limited	1.92%	1,513.55	3.62%	(236.47)	-8.49%	(6.12)	3.75%	(242.59)
Strides Pharma Asia Pte Limited	19.16%	15,085.97	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Strides Pharma Canada Inc.	0.49%	389.42	-0.07%	4.29	0.00%	-	-0.07%	4.29
Strides Pharma Global Pte Limited	17.90%	14,093.47	75.55%	(4,940.82)	247.36%	178.37	73.63%	(4,762.45)

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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Pharma Inc.	8.12%	6,391.46	10.77%	(704.30)	-93.26%	(67.25)	11.93%	(771.55)
Strides Pharma International Limited	1.44%	1,134.61	-0.95%	61.93	0.00%	-	-0.96%	61.93
Strides Pharma UK Limited	0.93%	735.30	3.59%	(234.86)	0.00%	-	3.63%	(234.86)
Strides Shasun Latina, SA de CV	0.02%	18.19	0.06%	(4.01)	0.00%	-	0.06%	(4.01)
Strides Vivimed Pte Limited	0.00%	-	0.01%	(0.35)	0.00%	-	0.01%	(0.35)
SVADS Holdings SA	0.55%	436.82	0.92%	(60.15)	0.00%	-	0.93%	(60.15)
Trinity Pharma Proprietary Limited	0.41%	324.93	-1.73%	113.26	0.00%	-	-1.75%	113.26
Universal Corporation Limited	0.93%	729.03	0.19%	(12.21)	0.00%	-	0.19%	(12.21)
Vensun Pharmaceuticals Inc.	-1.53%	(1,208.11)	0.03%	(2.19)	0.00%	-	0.03%	(2.19)
Indian Associates:						-		
Stelis Biopharma Limited	0.00%	-	13.11%	(857.50)	0.00%	-	13.26%	(857.50)
Strides Consumer Private Limited	0.00%	-	1.18%	(77.39)	0.00%	-	1.20%	(77.39)
Biolexis Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Associates:						-		
Aponia Laboratories Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Juno OTC Canada	0.00%	-	0.07%	(4.65)	0.00%	-	0.07%	(4.65)
Regional Bio Equivalence Centre S.C.,	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Biolexis Pte Limited (formerly Stelis Pte Limited)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stelis Biopharma LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Consumer LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Global Consumer Healthcare Limited	0.00%	-	2.35%	(153.89)	0.00%	-	2.38%	(153.89)
Foreign Joint ventures:						-		
Sihuan Strides (HK) Limited	0.00%	-	0.22%	(14.69)	0.00%	-	0.23%	(14.69)
Total	**100.00%**	**78,741.86**	**100.00%**	**(6,539.92)**	**100.00%**	**72.11**	**100.00%**	**(6,467.81)**
a) Adjustments arising out of consolidation		(55,149.58)		1,937.81		404.93		2,342.74
b) Minority Interest in all subsidiaries:								
Foreign Subsidiaries:		240.88		(140.39)		12.95		(127.44)
Total		**23,833.16**		**(4,742.50)**		**489.99**		**(4,252.51)**

(i) The amounts given here in respect of associates and joint ventures are the share of the Group in the profit or loss of the respective associates and joint ventures.

Note No. 54 Equity accounted investees

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Investment in associates	3,776.84	5,273.53
Investment in joint ventures	82.35	82.02
Total	**3,859.19**	**5,355.55**

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Associates

(a) Stelis Biopharma Limited

The Group has an associate in the name of Stelis Biopharma Limited (Stelis), incorporated in India as at March 31, 2023, holding effective 31.12% (March 31, 2022: 37.09%) of the equity stake and accounted for using the equity method.

The following table summarises the financial information of Stelis and the carrying amount of the Group's interest

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Percentage ownership interest	**31.12%**	**37.09%**
Non-current assets	17,804.04	19,312.59
Current assets	2,284.04	5,110.97
Non-current liabilities	(3,581.40)	(6,211.81)
Current liabilities	(8,652.15)	(8,087.31)
Net assets	**7,854.53**	**10,124.44**
Group share of net assets	2,444.33	3,755.15
Carrying amount of interest in associate	3,026.47	4,609.50

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Percentage ownership interest	**31.12%**	**37.09%**
Income	457.40	1,358.61
Profit / (loss) for the year	(7,998.30)	(2,311.95)
Other comprehensive income	20.87	20.38
Total comprehensive income	**(7,977.43)**	**(2,291.57)**
Group share of profit / (loss)	**(2,744.45)**	**(857.50)**

(b) Strides Consumer Business

The Group has an investments in Strides Global Consumer Healthcare Limited, incorporated in UK, Strides Consumer LLC, incorporated in USA and Strides Consumer Private Limited, incorporated in India (together referred to as Strides Consumer Business) till August 8, 2022 holding 53.64% (March 31, 2022: 53.64%) of the equity stake and accounted for the same using the equity method. Effective August 8, 2022, the Group holds only 19% of the equity stake and ceases to have any significant influence over the Strides Consumer Business. (Refer note 9(i)(f))

The following table summarises the financial information of Strides Consumer Business and the carrying amount of the Group's interest

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Percentage ownership interest		**53.64%**
Non-current assets	-	1,726.50
Current assets	-	532.15
Non-current liabilities	-	(233.16)
Current liabilities	-	(384.23)
Net assets	**-**	**1,641.26**
Group share of net assets	-	880.37
Carrying amount of interest in associate	-	664.03

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₹ In Million

Particulars	31-Mar-23 *	31-Mar-22
Percentage ownership interest	**53.64%**	**53.64%**
Income	191.73	808.18
Profit / (loss) for the year	(160.69)	(431.17)
Other comprehensive income	-	-
Total comprehensive income	**(160.69)**	**(431.17)**
Group share of profit / (loss)	**(86.19)**	**(231.28)**

* Covers the period only till August 8, 2022

(c) Universal Corporation Limited

The Group has an investment in Universal Corporation Limited, Kenya (UCL) holding 51% equity shares as at March 31, 2022. Effective September 30, 2022 the Group shareholding reduced to 49% in UCL. However, the Group continues to have board representation to exercise significant influence. Pursuant to these changes, the Group concluded that it no longer exercises control over UCL and hence will account for its investment as associate under equity method. (refer note 40.4)

The following table summarises the financial information of UCL and the carrying amount of the Group's interest

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Percentage ownership interest	49.00%	
Non-current assets	1,034.53	-
Current assets	1,768.80	-
Non-current liabilities	(147.84)	-
Current liabilities	(1,837.09)	-
Net assets	**818.40**	**-**
Group share of net assets	401.02	-
Carrying amount of interest in associate	640.65	-

₹ In Million

Particulars	31-Mar-23 *	31-Mar-22
Percentage ownership interest	**49.00%**	
Income	773.00	-
Profit / (loss) for the year	(52.79)	-
Other comprehensive income	-	-
Total comprehensive income	**(52.79)**	**-**
Group share of profit / (loss)	**(25.87)**	**-**

(d) The Group also has interest in a number of individually immaterial associates and joint ventures. The following table analyses, in aggregate, the carrying amount and share of profit and OCI for these associates and joint ventures.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Carrying amount of interests in associates and joint venture	192.07	82.02
Share in profit	3.56	(19.34)
Share in total comprehensive income	3.56	(19.34)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note No. 55 Other Statutory Information

(a) The Company and its subsidiaries incorporated in India, do not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

(b) The Company, its subsidiaries and its associates incorporated in India do not have any transactions with struck off companies.

(c) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(e) The Company have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

Note No. 56 Events after reporting period

On May 25, 2023, the Board of Directors of the Company has proposed a final dividend of ₹ 1.50 per equity share. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

Note No. 57 During the year ended March 31, 2023, no material foreseeable loss (March 31, 2022: Nil) was incurred for any long-term contract. The Company has recognised a mark to market loss of ₹ 55.48 Million (derivative liability) as of 31 March 2023 (2022: ₹ 73.28 Million (derivative liability)) on its derivative instruments.

Note No. 58 The previous year's figures in the notes to accounts have been re-grouped/ reclassified, where necessary to conform to current year's classification.

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Bengaluru, May 25, 2023

Independent Auditor's Report

To the Members of
Strides Pharma Science Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Strides Pharma Science Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of investments in subsidiaries and associates:

Refer Significant Accounting Policies and note 8 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The gross carrying amount of investments in subsidiaries and associates (aggregates to ₹ 25,067.68 Million) accounts for 44% of the total assets of the Company as at 31 March 2023. Company's assessment of impairment contains a number of parameters which involve significant judgements and estimates including revenue growth, cash flow forecasting, weighted average cost of capital and other recent financing transactions. Changes in these assumptions, could lead to an impact over fair value of investment and accordingly impairment provision. The annual impairment testing was significant to our audit, because of the financial quantum of the assets as well as the involvement of critical judgements, estimates and assumptions. Based on the impairment assessment of the Company has recorded ₹ 150 Million as provision for diminution in value of non-current investments. For disclosure relating to this impairment please refer Note 8 to the standalone financial statements.	In view of the significance of the matter, following audit procedures were applied, among others, to obtain sufficient audit evidence: • Tested the design and operating effectiveness of the relevant key controls around the impairment testing of the carrying value of investment in subsidiaries and associates. • Performed a retrospective analysis to assess the reasonableness of Company's projections by comparing historical forecast to actual results. • Tested reasonability of projections used by the Company relating to the sales growth, operating costs, cashflow forecasts. • Engaged valuation specialists to assist in testing the reasonableness of the valuation by evaluating the assumptions and methodologies used by the Company, in particular for weighted average cost of capital, terminal growth rate, etc. • Tested whether the Company's analysis about the sensitivity on the outcome of impairment to possible changes in key assumptions reflect the risks inherent in the valuation.

Taxation:

Refer Significant Accounting Policies and note 32 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company is subjected to various domestic and foreign tax regulations with respect to taxability of income received in India including repatriation of any profits as dividends. Assessing the applicability of tax and accounting of such repatriation may involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/assessments. Judgment is required in assessing the availability of tax incentives / exemptions. These judgments could change over time as each of the matter progresses with the relevant tax authorities and accordingly may impact the accounting treatment followed by the Company. Given the complexities and judgement involved in assessing the availability of tax incentives / exemptions and its impact on accounting, we assessed this to be an area of focus for our audit.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of taxation.; • We analyzed relevant correspondences with the tax authorities; and • We used subject matter experts to evaluate the Company's judgment regarding their assessment of availability of tax incentives /exemptions and the accounting treatment done. • We also considered external legal opinions and consultations made by the Company for key uncertain tax positions during current and past periods.

Going Concern assessment

Refer Significant Accounting Policies to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 2 to the standalone financial statements. As at 31 March 2023, the Company has recorded a profit amounting to ₹ 46.82 Million and has generated positive cash flows amounting to ₹ 2,417.40 Million. The Company has concluded that the going concern basis is appropriate in preparing the standalone financial statements of the Company and that no material uncertainty exists as of balance sheet date. The Company evaluated its ability to continue as a going concern based upon an assessment of the Company's cash position, assessment of the exposure with respect to the financial guarantees provided by the Company to an associate company, future cash flow forecasts, its debt repayment obligations and other commitments and its availability of financing facilities, after considering material breaches of its existing debt covenants and the related subsequent temporary relaxations obtained from the lenders for compliance with such debt covenants. Considering the significance of the area to the overall financial statements and our audit, this is considered as a key audit matter.	Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern included the following audit procedures to obtain sufficient appropriate audit evidence: • Gaining an understanding and assessing the design, implementation and operating effectiveness of Company's key internal controls over preparation of cash flow forecasts to assess its liquidity; • Comparing the forecasted statement of profit and loss and cash flows with the Company's business plan approved by the board of directors; • Evaluating the key assumptions in the cashflow forecasts with reference to historical information, current performance, future plans, and market and other external available information; • Performing sensitivity analysis on the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company. • Performing a retrospective review to assess the reasonableness of Company's past projections by comparing historical forecasts to actual results; • Assessing the availability of banking and other financing facilities by inspecting underlying documentation; • Evaluating Company's judgment of invoking of guarantees provided to the lenders of the associate; • Assessing the impact of any existing covenants and the related relaxations and other restrictive terms therein which may impact Company's ability to raise further debts. • Assessing the adequacy of the disclosures related to application of the going concern assumption.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. As stated in Note 52 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We refer to Note 10 of the standalone financial statements which more fully explains the decision of the Board of Directors to recover the excess remuneration paid to the Company's erstwhile Managing Director and Chief Executive Officer in the previous year. Accordingly, the Company continues to have a recoverable of ₹ 141.90 Million as at 31 March 2023 in accordance with the requirements of Section 197 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:23060573BGYNDS6229

Place: Bengaluru
Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Strides Pharma Science Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Particulars	Description of item of property	Gross Carrying value	Title deed held in name of:	Whether title deed holder is a promoter director of relative/director or employee of promoter/ director	Property held since when date	Reason for not being held in the name of the company
Property, plant and equipment	Building	3.55	Arun Kumar	Yes	9 May 1995	Note-1
Property, plant and equipment	Building	428.42	Shasun Pharmaceuticals Ltd.	No	19 November 2015	Note-2
Property, plant and equipment	Freehold Land	0.81	Grandix Pharmaceuticals Limited	No	31 December 2009	
Property, plant and equipment	Freehold Land	11.76	Shasun Chemicals and Drugs Ltd.	No	1 April 2016	
Property, plant and equipment	Freehold Land	48.69	Shasun Pharmaceuticals Ltd.	No	19 November 2015	
Investment property	Freehold Land	22.20	Shasun Chemicals and Drugs Ltd.	No	1 April 2016	
Investment Property	Building	183.83	Shasun Chemicals and Drugs Ltd.	No	1 April 2016	

Note-1 - The apartment is inside a housing cooperative society. The Company has made an application for transferring it to its name which is pending with the society.

Note -2 - These properties are in the name of the erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act 1956 in terms of the approval of the Honourable High Courts of judicature. The Company is in the process of transferring the title deeds of such properties in its name.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment(including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security or granted loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year, in respect of which the requisite information is as below. The Company has not granted any advances in the nature of loans to companies, firms, limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees	Loans	Security
Aggregate amount granted/ provided during the year	1,800.00	1,026.31	454.80
Subsidiaries	300.00	971.88	-
Joint Venture	-	-	-
Associates	1,500.00	-	454.80
Others	-	54.43	-
Balance outstanding as at balance sheet date in respect of above cases	21,336.29	1,246.25	7,963.80
Subsidiaries	10,122.42	1,172.51	3,500.00
Joint Ventures	-	-	-
Associates	11,213.87	-	4,463.80
Others	-	73.74	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans, guarantees provided and securities given during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not granted any advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities though there have been delay in Provident Fund due to timely availability of Universal Account Number/ Aadhar number in respect of certain employees.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in Millions)	Period to which the amount relates	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 2012	Provident Fund	1.68	April 2022 to August 2022	Multiple dates	Not paid*

*Delay in Provident Fund is due to non availability of Universal Account Number/ Aadhar number in respect of certain employees.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no statutory dues relating to Goods and service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of excise, Duty of customs or Cess or other statutory dues which have not been deposited by the Company on account of any dues, except for the following:

Name of the statute	Nature of the dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	9.51 (net of taxes paid of 180.88)	AY 2011-12	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax	0.03 (net of taxes paid of 105.04)	AY 2017-18	Commissioner Income tax (Appeals)
Central Excise Act,1944	Central Excise	14.04	Various dates	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act,1944	Central Excise	5.20	Various dates	Commissioner of Central Excise
Central Excise Act,1944	Central Excise	481.20 (net of taxes paid of 24.51)	Various dates	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise	63.06	Various dates	Commissioner of Central Tax

Also refer note 39 to the standalone financial statements.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, were port that the Company has raised loans during the year on the pledge of securities held in its subsidiary as per details below:

Nature of loan taken	Name of lender	Amount of loan (₹ in Millions)	Name of the subsidiary, joint venture, associate companies	Relationship	Details of security pledged
Long term Borrowings	Centrum Credit Opportunities Fund	1,250.00	Vivimed Life Sciences Private Limited	Wholly owned Subsidiary	First ranking exclusive charge over the equity shares of the subsidiary

Further the Company has not defaulted in repayment of such loans raised.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer(including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement or preferential allotment of fully or partly convertible debentures or equity shares during the year. In our opinion, in respect of private placement/preferential allotment of equity warrants made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity warrants have been used for the purposes for which the funds were raised. Refer note 19(j) of the standalone financial statements.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies(Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 2 to the standalone financial statements that explains Management has concluded that the going concern basis is appropriate in preparing the standalone financial statements of the Company. The Company evaluated its ability to continue as a going concern based upon an assessment of the Group's cash position, assessment of the exposure with respect to the financial guarantees and securities provided by the Company to an associate company, future cash flow forecasts, its debt repayment obligations and other commitments and its availability of financing facilities, after considering material breaches of its existing debt covenants and the related subsequent temporary relaxations obtained from the lenders for compliance with such debt covenants. This required the exercise of significant judgement, particularly in forecasting the Group's future revenues, profitability and cash flows.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:23060573BGYNDS6229

Place: Bengaluru
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Strides Pharma Science Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Strides Pharma Science Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:23060573BGYNDS6229

Place: Bengaluru
Date: 25 May 2023

Standalone Balance Sheet

as at March 31, 2023

₹ In Million

		Note No.	31-Mar-23	31-Mar-22
A	ASSETS			
I	**Non-current assets**			
	(a) Property, plant and equipment	4(i)	4,988.07	5,343.60
	(b) Capital work-in-progress	4(ii)	157.92	304.51
	(c) Right-of-use assets	5(i)	568.67	335.92
	(d) Investment property	6	122.61	128.16
	(e) Other intangible assets	7(i)	286.28	361.40
	(f) Intangible assets under development	7(ii)	395.86	252.64
	(g) Financial assets			
	(i) Investments	8	24,917.68	23,997.62
	(ii) Loans	9(i)	504.47	1,246.09
	(iii) Other financial assets	10(i)	211.85	199.30
	(h) Deferred tax assets (net)	11	952.38	775.80
	(i) Income-tax assets (net)	12	1,575.18	1,571.99
	(j) Other non-current assets	13(i)	252.41	69.09
	Total non-current assets		**34,933.38**	**34,586.12**
II	**Current assets**			
	(a) Inventories	14	4,907.64	5,130.63
	(b) Financial assets			
	(i) Trade receivables	15	13,077.79	12,963.19
	(ii) Cash and cash equivalents	16	821.05	121.24
	(iii) Other balances with banks	17	34.75	23.22
	(iv) Loans	9(ii)	741.78	43.02
	(v) Other financial assets	10(ii)	548.66	630.56
	(c) Other current assets	13(ii)	1,132.37	840.60
	Total current assets		**21,264.04**	**19,752.46**
	TOTAL ASSETS		**56,197.42**	**54,338.58**
B	EQUITY AND LIABILITIES			
I	Equity			
	(a) Equity share capital	18	903.03	897.90
	(b) Other equity	19	33,647.48	33,168.93
	Total equity		**34,550.51**	**34,066.83**
II	Liabilities			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	20(i)	2,847.43	1,246.95
	(ii) Lease liabilities	5(ii)	497.99	269.79
	(iii) Other financial liabilities	21(i)	-	6.58
	(b) Provisions	22(i)	333.22	334.68
	(c) Other non-current liabilities	23(i)	-	0.51
	Total non-current liabilities		**3,678.64**	**1,858.51**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	20(ii)	10,644.61	11,199.37
	(ii) Lease liabilities	5(ii)	152.01	123.08
	(iii) Trade payables	24		
	- Total outstanding dues of micro enterprises and small enterprises and		137.09	331.32
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,297.33	6,106.65
	(iv) Other financial liabilities	21(ii)	408.42	326.44
	(b) Provisions	22(ii)	150.00	204.53
	(c) Other current liabilities	23(ii)	178.81	121.85
	Total current liabilities		**17,968.27**	**18,413.24**
	Total liabilities		**21,646.91**	**20,271.75**
	TOTAL EQUITY AND LIABILITIES		**56,197.42**	**54,338.58**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Bengaluru, May 25, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

₹ In Million

		Note No.	31-Mar-23	31-Mar-22
	Income			
1	**Revenue from operations**	25	18,544.96	19,790.03
2	Other income	26	840.66	1,234.85
3	**Total income (1+2)**		**19,385.62**	**21,024.88**
4	**Expenses**			
	(a) Cost of materials consumed		10,200.95	9,354.24
	(b) Purchase of stock-in-trade		244.73	518.32
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	210.37	1,142.56
	(d) Employee benefits expense	28	2,670.14	2,720.91
	(e) Finance costs	29	1,386.82	742.41
	(f) Depreciation and amortisation expense	30	936.21	1,043.66
	(g) Other expenses	31	4,234.00	5,287.70
	Total expenses		**19,883.22**	**20,809.80**
5	Profit/(Loss) before exceptional items and tax (3-4)		(497.60)	215.08
6	Exceptional items loss (net)	8	(150.00)	-
7	Profit/(Loss) before tax (5+6)		(647.60)	215.08
8	Tax expense	32		
	(a) Current tax		(498.43)	(1,584.71)
	(b) Deferred tax benefit		(195.99)	(2.09)
	Total tax benefit		**(694.42)**	**(1,586.80)**
9	**Profit for the year (7-8)**		**46.82**	**1,801.88**
10	**Other comprehensive income**			
	A) (i) Items that will not be reclassified to profit or loss	35	79.85	(2.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	35	(27.90)	0.88
	B) (i) Items that may be reclassified to profit or loss	35	(24.29)	(59.30)
	(ii) Income tax relating to items that may be reclassified to profit or loss	35	8.49	20.72
	Total other comprehensive income for the year, net of tax		**36.15**	**(40.21)**
11	**Total comprehensive income for the year (9+10)**		**82.97**	**1,761.67**
12	**Earnings per equity share (of ₹ 10/- each)**			
	- Basic	44	0.52	20.08
	- Diluted	44	0.52	20.07

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Bengaluru, May 25, 2023

Standalone Statement of Changes in Equity
for the year ended March 31, 2023

A) Equity share capital

₹ In Million

Particulars	Amount
Balance as at April 1, 2021	896.81
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 40(a))	1.09
Balance as at March 31, 2022	**897.90**
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 40(a))	0.60
- Shares issued pursuant to conversion of share warrants	4.53
Balance as at March 31, 2023	**903.03**

B) Other equity

₹ In Million

Particulars	Note reference	Share application money pending allotment	Reserves and surplus							Items of other comprehensive income		Money received against share warrants	Total
			Capital reserve	Securities premium account		Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re -measurement of the defined benefit liabilities / (assets)		
				Securities premium	Reserve for Business Restructure (BRR)								
Balance as at March 31, 2021		-	200.79	17,272.67	3,846.38	601.61	47.20	3,881.20	5,831.30	42.00	(139.38)	-	31,583.77
Profit for the year		-	-	-	-	-	-	-	1,801.88	-	-	-	1,801.88
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(38.58)	(1.63)	-	(40.21)
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,801.88**	**(38.58)**	**(1.63)**	**-**	**1,761.67**
Dividend		-	-	-	-	-	-	-	(224.31)	-	-	-	(224.31)
Issue of shares on exercise of stock options		-	-	49.21	-	-	(18.18)	-	-	-	-	-	31.03
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	40(a)	-	-	-	-	-	12.71	-	-	-	-	-	12.71
Share application money received on exercise of options		4.06	-	-	-	-	-	-	-	-	-	-	4.06
Transferred to general reserve on stock options lapse		-	-	-	-	-	(21.27)	21.27	-	-	-	-	-

Standalone Statement of Changes in Equity
for the year ended March 31, 2023

₹ In Million

Particulars	Note reference	Share application money pending allotment	Reserves and surplus							Items of other comprehensive income		Money received against share warrants	Total
			Capital reserve	Securities premium account		Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re -measurement of the defined benefit liabilities / (assets)		
				Securities premium	Reserve for Business Restructure (BRR)								
Balance as at March 31, 2022		**4.06**	**200.79**	**17,321.88**	**3,846.38**	**601.61**	**20.46**	**3,902.47**	**7,408.87**	**3.42**	**(141.01)**	**-**	**33,168.93**
Profit for the year		-	-	-	-	-	-	-	46.82	-	-	-	46.82
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(15.80)	51.95	-	36.15
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**46.82**	**(15.80)**	**51.95**	**-**	**82.97**
Share application money received on exercise of options		-	-	-	-	-	-	-	-	-	-	-	-
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	371.00	371.00
Issue of shares on exercise of stock options		(4.06)	-	27.16	-	-	(10.02)	-	-	-	-	-	13.08
Issue of shares on conversion of share warrants		-	-	195.47	-	-	-	-	-	-	-	(200.00)	(4.53)
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	40(a)	-	-	-	-	-	16.03	-	-	-	-	-	16.03
Transferred to general reserve on stock options lapse		-	-	-	-	-	(3.30)	3.30	-	-	-	-	-
Balance as at March 31, 2023		**-**	**200.79**	**17,544.51**	**3,846.38**	**601.61**	**23.17**	**3,905.77**	**7,455.69**	**(12.38)**	**(89.06)**	**171.00**	**33,647.48**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Bengaluru, May 25, 2023

Statement of Cash Flow
for the year ended March 31, 2023

₹ In Million

		31-Mar-23	31-Mar-22
A. Cash flow from operating activities			
(Loss)/Profit before tax		(647.60)	215.08
Adjustments for:			
- Depreciation and amortisation expense		936.21	1,043.66
- Loss / (Gain) on sale/write off of property, plant and equipment, investment property and other intangible assets (net)		163.22	(107.63)
- Impairment of non current investments (Refer note 8(i))		150.00	-
- Share based compensation expense		9.68	(8.90)
- Finance costs		1,386.82	742.42
- Interest income		(661.63)	(887.49)
- Income from current investment		-	(2.84)
- Rental income from investment property		(18.56)	(59.79)
- Provision for doubtful trade receivables/written off		96.79	38.35
- Other receivables written off		-	15.85
- Gain on account of lease modification		(17.20)	(18.73)
- Net unrealised exchange gain		(316.65)	(3.21)
Operating profit before working capital changes		**1,081.08**	**966.77**
Changes in working capital:			
Increase in trade and other receivables		(16.68)	(4,651.21)
Decrease in inventories		222.99	1,760.17
Increase / (Decrease) in trade and other payables		131.82	(1,116.64)
Net change in working capital		**338.13**	**(4,007.68)**
Cash generated from / (utilised in) from operations		1,419.21	(3,040.91)
Income taxes refund, net		998.19	214.06
Net cash flow generated / (utilised in) from operating activities	**A**	**2,417.40**	**(2,826.85)**
B. Cash flow from investing activities			
Acquisition for property, plant and equipment and intangible assets, including capital advance		(806.88)	(681.70)
Proceeds from sale of property, plant and equipment and intangible assets		2.21	4.99
Proceeds from sale of investment property		-	630.00
Investment in mutual funds		-	(540.61)
Proceeds from sale of investment in mutual funds		-	540.61
Investment in subsidiary and associate		(1,070.06)	(51.13)
Loans given		(971.88)	(463.88)
Loans recovered		1,015.46	70.00
Interest received (net of taxes)		26.81	63.71
Dividends received (net of taxes)		-	127.46
Rental income from investment property		18.05	61.41
Net security deposits received/(paid)		4.19	(5.96)
(Investment) / Proceeds in fixed deposits with maturity of more than 3 months, net		(43.66)	432.86
Net cash flow (utilised in) / generated from investing activities	**B**	**(1,825.76)**	**187.76**

Statement of Cash Flow
for the year ended March 31, 2023

₹ In Million

		31-Mar-23	31-Mar-22
C. Cash flow from financing activities			
Proceeds from issue of equity shares		13.67	36.18
Proceeds from issue of share warrants		371.00	-
Proceeds from long-term borrowings		2,527.93	295.36
Repayment of long-term borrowings		(668.88)	(399.72)
Proceeds/(Repayment) from short-term borrowings (net)		(744.42)	3,644.60
Dividends paid (net of taxes on dividend)		-	(224.31)
Lease payments		(151.87)	(150.40)
Finance costs paid		(1,239.26)	(694.41)
Net cash generated from financing activities	**C**	**108.17**	**2,507.30**
Net increase / (decrease)in cash and cash equivalents during the year	**(A+B+C)**	**699.81**	**(131.79)**
Cash and cash equivalents at the beginning of the year		121.24	253.03
Cash and cash equivalents at the end of the year*		**821.05**	**121.24**
*** Comprises:**			
Cash on hand		1.59	1.62
Balance with banks:			
- In current accounts		40.09	35.50
- In deposit accounts		670.08	-
- Funds-in-transit		109.29	84.12
Total		**821.05**	**121.24**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Bengaluru, May 25, 2023

Manjula R.
Company Secretary
Membership Number A30515

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 01 General information

Strides Pharma Science Limited ('the Company or Strides') is a pharmaceutical Company domiciled in India, with its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703 and corporate office in Bengaluru, India. The Company is public limited company incorporated under the provisions of India Companies Act and having its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company develops and manufactures a wide range of IP-led niche pharmaceutical products.

Note No. 02 Basis of preparation of financial statements

The Company has made a profit of ₹ 47 Million for the year ended March 31, 2023. Further, as of March 31, 2023, the Company has provided guarantees aggregating to ₹ 11,213 Million in relation to the borrowings (out of which ₹ 5,033 Million is outstanding as of March 31, 2023) of its associate company ("the Associate").

Management of the Company and of the subsidiaries who have not complied with certain financial covenants related to their respective borrowings have obtained temporary relaxations for compliance with those financial covenants from the lenders as of the date of the issue of financial results. Management of the Associate has initiated discussions with its lenders seeking certain temporary relaxations for compliance with financial covenants related to its borrowings.

Further, to mitigate the situation, the Company has raised long-term and other financing facilities amounting to ₹ 2,528 Million during the year ended March 31, 2023 and has issued equity warrants to the entity which is part of the Promoter Company that is expected to provide additional equity of ₹ 513 Million by March 31, 2024. The Company has cash and cash equivalents of INR 821 Million as at March 31, 2023 and also undrawn borrowing facilities available from certain lenders.

Accordingly, based on the fact that the Company had generated positive cash flows in the current year and expects to generate positive operating cash flows in future periods, returned to positive EBITDA in the current year, temporary relaxations from lenders for compliance with financial covenants related to borrowings, its ability to raise new financing facilities, expected equity infusion in the year ending March 31, 2024 and the steps undertaken by management as noted above, management believes that the Company will be able to continue to generate sufficient cash in the foreseeable future to meet its obligations as they fall due.

2.1 Statement of compliance

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

The standalone financial statements were approved for issue by the Company's Board of Directors on May 25, 2023

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest Million, unless otherwise indicated.

2.3 Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit asset/(liability) are measured at fair value of plan assets, less present value of defined benefit obligation; and
- Equity settled and cash settled share based payments that are measured at fair value.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.2 — Revenue recognition: whether revenue from sale of product and services is recognised overtime or at a point of time:
- Note 3.15 and 45 — Financial instruments;
- Note 3.9, 3.10 and 3.11— Useful lives of property, plant and equipment, investment property and intangible assets;
- Note 3.12.3 — Impairment of non financial assets:
- Note 41 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 40 — Share based payments;
- Note 3.8, 11, 32 and 39 (b) — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets.

2.4.2 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes.

- Note 3.12.3 — Impairment testing of non-financial assets;
- Note 3.12.1 and 45 — Impairment testing of financial assets; and
- Note 3.14, 31 and 39 (b) — Recognition and measurement of Provisions and contingent liabilities.

2.5 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

2.6 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

2.7 Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS,

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including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 40 – Share based payment arrangements;
- Note 6 – Investment property and
- Note 45 – Financial instruments

Note No. 03 Significant accounting policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 3.7.3); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

3.1.1 Business combination under common control

The Company has followed the guidance given under Appendix C of Ind AS 103 (Business combination of entities under common control), while preparing these standalone financial statements.

Business combination involving common control is accounted by using pooling of interest method.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. In this financial statement, the effect of transactions, when the entities are under common control, prior to the appointed date has been adjusted in the 'other equity'.

The identity of the reserves in the transferor companies has been maintained in the transferee Company.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

3.2 Revenue from contracts with customers

The Company recognises revenue to depict the transfer of control over promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3.2.1 Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Company uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Company, to the extent made available before the date the Company's Board of Directors authorises the issuance of its financial statements for the applicable period.

Sale to distributors

The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of control over the goods to the distributor.

Right to reject or return goods

The Company also sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is

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deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Price variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue.

However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Reports claims by the wholesalers / distributors and Price Protections

Chargebacks and reports claims are estimated on the basis of the average trend of the past periods and recognised as reduction to revenue.

3.2.2 Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

3.2.3 Royalty, sale of licenses and Intellectual property rights

The Company enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised over the term of the contract. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

3.2.4 Export and production linked incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/ benefits from special import licenses and benefits under specified schemes as applicable.

3.2.5 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3.3.2 below.

3.2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

3.3.1 The Company as lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises.

3.3.2 The Company as lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of

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a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term.

The Company applied the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease.

3.4 Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

3.5 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

3.6 Employee benefits

3.6.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.6.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and

losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.6.3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

3.6.4 Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.7 Share-based payment arrangements

3.7.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.7.2 Cash settled share-based payment transactions of the Company

The fair value of the amount payable to employees in respect of cash settled share based payments is recognised as an expense with the corresponding increase in liabilities, over the period during which the employees becoming unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the underlying options. Any changes in the liability are recognised in the statement of profit or loss.

3.7.3 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total

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vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

3.8 Income tax

Income tax expense represents the sum of current tax and deferred tax. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.8.1 Current tax

Current tax is calculated based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

3.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for

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administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and equipments	: 3 to 20 years
Factory buildings	: 5 to 30 years

Freehold land is not depreciated.

Asset held under finance leases are depreciated as per Ind AS 116.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Asset held for sale

The Company categorises Non-current assets and liabilities as "held for sale", when there is a proposal/ intention to sell an asset or group of assets in its present condition.

The assets held for sale are carried at cost or fair value less costs related to disposal, whichever is lower and are not subject to depreciation.

3.10 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are derecognised on disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. The gains or losses from the disposal of investment properties are determined as difference between the carrying amount of the investment properties and the net disposal proceeds and are recognised in profit or loss in the period in which it is disposed.

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Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

3.11 Intangible assets

3.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any. Intangible assets with indefinite useful lives are not amortised and tested for impairment annually.

3.11.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.11.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.11.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.11.5 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands	: 10 years to 25 years
Software Licenses	:5 years

3.12 Impairment of assets

3.12.1 Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

3.12.2 Impairment of investment in subsidiaries and associates

The Company reviews its carrying value of investments in subsidiaries and associates at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.12.3 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.13 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost is determined as follows:

Raw materials, packing materials and stores and spares: weighted average basis.

Work-in progress: at material cost and an appropriate share of production overheads.

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable.

Stock-in trade: weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.14 Provisions (Other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Before a provision is recognised company will recognise an impairment loss on the assets associated with that contract.

3.14.2 Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

3.15 Financial instruments

3.15.1 Investment in subsidiaries, associates and Joint Ventures

The Company has accounted for its investments in subsidiaries and associates joint ventures at cost less impairment.

3.15.2 Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

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Financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.15.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

3.15.4 Financial guarantee contracts

The Company enters into financial guarantee contracts with its subsidiaries and associates. At the inception of a financial guarantee contract, a liability is recognised initially at fair value and then subsequently at the higher of the estimated loss and amortised cost, the changes in subsequent measurement being recognised in the statement of profit and loss. Where a guarantee is issued for a consideration, a financial asset of an amount equal to the liability is initially recognised at amortised cost. Where a guarantee is issued for no consideration, the fair value is recognised as additional investment in the entity to which the guarantee relates.

3.15.5 Derivative financial instruments and hedge accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other

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Comprehensive Income and later to the Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) **Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) **Fair value hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

3.16 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

3.17 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.18 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit(or loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the adjusted profit(or loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

3.19 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards

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under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Reference to Conceptual Framework

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 – Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Notes
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Note No. 04(i) Property, plant and equipment

₹ In Million

Particulars	Gross block				Accumulated depreciation				Net block
	As at 01-Apr-22	Additions	Disposals	As at 31-Mar-23	As at 01-Apr-22	Depreciation for the year	Disposals	As at 31-Mar-23	As at 31-Mar-23
Tangible assets:									
Land:									
- Freehold	848.10	-	-	848.10	-	-	-	-	848.10
	848.10	-	-	*848.10*	-	-	-	-	*848.10*
- Leasehold	48.13	-	-	48.13	-	-	-	-	48.13
	48.13	-	-	*48.13*	-	-	-	-	*48.13*
Buildings	1,487.21	0.66	1.47	1,486.40	469.64	70.91	0.83	539.72	946.68
	1,447.24	*40.16*	*0.19*	*1,487.21*	*398.41*	*71.25*	*0.02*	*469.64*	*1,017.57*
Plant and equipments	5,949.87	320.98	24.65	6,246.20	2,841.94	495.12	15.75	3,321.31	2,924.89
	5,099.13	*862.42*	*11.68*	*5,949.87*	*2,337.97*	*513.54*	*9.57*	*2,841.94*	*3,107.93*
Furniture and fixtures	169.05	4.07	1.87	171.25	101.29	14.16	0.31	115.14	56.11
	156.20	*12.85*	-	*169.05*	*86.47*	*14.82*	-	*101.29*	*67.76*
Vehicles	33.26	0.23	7.69	25.80	17.15	3.02	2.31	17.86	7.94
	33.34	*0.85*	*0.93*	*33.26*	*14.30*	*3.76*	*0.91*	*17.15*	*16.11*
Office equipments	772.54	23.46	13.80	782.20	534.54	104.95	13.51	625.98	156.22
	675.32	*97.81*	*0.59*	*772.54*	*418.96*	*116.15*	*0.57*	*534.54*	*238.00*
Total	**9,308.16**	**349.40**	**49.48**	**9,608.08**	**3,964.56**	**688.16**	**32.71**	**4,620.01**	**4,988.07**
Previous year	***8,307.46***	***1,014.09***	***13.39***	***9,308.16***	***3,256.11***	***719.52***	***11.07***	***3,964.56***	***5,343.60***

Notes:

(i) Figures in italics relate to previous year.

(ii) The above assets other than to the extent mentioned in notes (iii) below are owned by the Company.

(iii) In 2008, the Company had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement. The Company is in the process of transferring the said land in its name.

(iv) Addition during the year includes capital expenditure towards research and development of ₹ 19.48 Million (as at March 31, 2022: ₹ 22.64 Million).

(v) Properties, plant and equipment are pledged as security

- towards term loan (first pari passu charge) and working capital borrowings (second pari passu charge) by the Company.
- towards borrowings by subsidiary.

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4(ii) Capital-work-in progress (CWIP)

Movement in Capital-work-in progress (CWIP)

₹ In Million

Particulars	As at 01-Apr-22	Additions	Transfers/ deletions	As at 31-Mar-23
Current year	304.51	225.96	372.55	157.92
Previous year	*813.6*	*442.22*	*951.31*	*304.51*

Ageing of Capital-work-in progress (CWIP)

₹ In Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	Greater than 3 Years	
As at March 31, 2023					
Projects in progress	118.41	26.41	6.72	6.38	157.92
Projects temporarily suspended	-	-	-	-	-
Total	**118.41**	**26.41**	**6.72**	**6.38**	**157.92**
As at March 31, 2022					
Projects in progress	272.41	16.53	7.30	8.27	304.51
Projects temporarily suspended	-	-	-	-	-
Total	**272.41**	**16.53**	**7.30**	**8.27**	**304.51**

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

Note No. 05 Leases

The Company leases office spaces consisting of land and building. The leases typically run for period of 5 to 7 years with an option to renew at the end of original/initial lease period.

(i) Right-of-use assets

₹ In Million

Particulars	Gross block				Accumulated depreciation				Net block
	As at 01-Apr-22	Additions	De-recognition	As at 31-Mar-23	As at 01-Apr-22	Depreciation for the year	De-recognition	As at 31-Mar-23	As at 31-Mar-23
Buildings	539.59	355.15	154.51	740.23	203.67	122.40	154.51	171.56	568.67
	511.38	*249.93*	*221.72*	*539.59*	*201.80*	*117.81*	*115.94*	*203.67*	*335.92*
Office equipments	87.99	-	-	87.99	87.99	-	-	87.99	-
	87.99	-	-	*87.99*	*87.99*	-	-	*87.99*	-
Total	**627.58**	**355.15**	**154.51**	**828.22**	**291.66**	**122.40**	**154.51**	**259.55**	**568.67**
Previous year	***599.37***	***249.93***	***221.72***	***627.58***	***289.79***	***117.81***	***115.94***	***291.66***	***335.92***

Notes
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(ii) Lease Liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Current	152.01	123.08
Non-current	497.99	269.79
	650.00	**392.87**

(iii) Amounts recognised in the statement of profit or loss

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Depreciation charge on right-of-use asset		
Buildings	122.40	117.81
Office equipment	-	-
	122.40	**117.81**
Interest expense (Included in finance cost)	71.05	32.64
Other income on account of lease modification	17.20	18.73
Other expenses relating to leases, not included in lease payments	59.88	45.45

(iv) Total cash outflow

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Buildings	151.87	150.40
	151.87	**150.40**

Note No. 06 Investment property

₹ In Million

Particulars	Gross block				Accumulated depreciation				Net block
	As at 01-Apr-22	Additions	Disposals	As at 31-Mar-23	As at 01-Apr-22	Depreciation for the year	Disposals	As at 31-Mar-23	As at 31-Mar-23
Land	31.31	-	-	31.31	-	-	-	-	31.31
	147.27	-	*115.96*	*31.31*	-	-	-	-	*31.31*
Building	102.74	0.94	-	103.68	5.89	6.49	-	12.38	91.30
	812.97	-	*710.23*	*102.74*	*281.89*	*25.16*	*301.16*	*5.89*	*96.85*
Total	**134.05**	**0.94**	**-**	**134.99**	**5.89**	**6.49**	**-**	**12.38**	**122.61**
Previous year	***960.24***	***-***	***826.19***	***134.05***	***281.89***	***25.16***	***301.16***	***5.89***	***128.16***

Notes:

(i) Figures in italics relate to previous year.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

(ii) Details of assets given under an operating lease

₹ In Million

Particulars	Gross block		Net block	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Freehold Land	31.31	31.31	31.31	31.31
Buildings	103.68	102.74	91.30	96.85
Total	**134.99**	**134.05**	**122.61**	**128.16**

(iii) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2023 has been arrived at ₹ 950.60 Million (as at March 31, 2022: ₹ 949 Million) on the basis of a valuation carried out by independent valuers. The valuation is done by valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

The fair value has been categorised as level 3 hierarchy based on the inputs used in valuation technique. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(iv) Investment properties are pledged as security

- towards term loan (first pari passu charge) and working capital borrowings (second pari passu charge) by the Company.
- towards borrowings by subsidiary

(v) During the previous year the Company has sold an investments property with a net book value of ₹ 525.03 Million for a total consideration of ₹ 630.00 Million (Refer note 42).

(vi) Amounts recognised in profit or loss for investment properties.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Rental income	15.94	56.61
Gain on sale of investment property	-	104.97
Depreciation	(6.49)	(25.16)
Profit from investment properties	**9.45**	**136.42**

Notes
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Note No. 07(i) Other intangible assets

₹ In Million

Particulars	Gross block				Accumulated amortisation				Net block
	As at 01-Apr-22	Additions	Disposals	As at 31-Mar-23	As at 01-Apr-22	Amortisation for the year	Disposals	As at 31-Mar-23	As at 31-Mar-23
- Internally generated:									
- Registrations and brands*	455.99	22.54	-	478.53	270.49	34.79	-	305.28	173.25
	385.79	*83.18*	*12.98*	*455.99*	*221.67*	*49.27*	*0.45*	*270.49*	*185.50*
- Software and licenses	894.35	21.63	1.31	914.67	718.45	84.37	1.18	801.64	113.03
	828.09	*66.26*	-	*894.35*	*586.55*	*131.90*	-	*718.45*	*175.90*
Total	**1,350.34**	**44.17**	**1.31**	**1,393.20**	**988.94**	**119.16**	**1.18**	**1,106.92**	**286.28**
Previous year	***1,213.88***	***149.44***	***12.98***	***1,350.34***	***808.22***	***181.17***	***0.45***	***988.94***	***361.40***

*Additions represents product development expenditure capitalised during the year

Notes:

(i) Figures in italics relate to previous year.

Note No. 07 (ii) Intangible assets under development

Movement in Intangible assets under development

₹ In Million

Particulars	As at 01-Apr-22	Additions	Transfers/ deletions	As at 31-Mar-23
Current year	252.64	165.86	22.64	395.86
Previous year	*292.01*	*143.11*	*182.48*	*252.64*

Intangible assets under development aging schedule

₹ In Million

Particulars	Amount in Intangibles assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	Greater than 3 Years	
March 31, 2023					
Projects in progress	158.43	55.90	51.18	130.35	395.86
Projects temporarily suspended	-	-	-	-	-
Total	**158.43**	**55.90**	**51.18**	**130.35**	**395.86**
March 31, 2022					
Projects in progress	61.29	51.18	-	140.17	252.64
Projects temporarily suspended	-	-	-	-	-
Total	**61.29**	**51.18**	**-**	**140.17**	**252.64**

There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

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Note No. 08 Investments

Investments consist of the following:

Investments - Non-current

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- 30,306,148 (As at March 31, 2022: 30,306,148) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	5,322.52	5,322.52
- 438,000 (As at March 31, 2022: 438,000) shares of USD 1 each fully paid up in Strides Pharma International Limited, Cyprus	23.13	23.13
- 142 (As at March 31, 2022: 142) shares of SGD 1 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	11,476.68	11,476.68
- 12,788,136 (As at March 31, 2022: 12,788,136) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland	466.59	466.59
- 352,925 (As at March 31, 2022: 172,215) shares of ₹ 10 each fully Paid up in Arcolab Private Limited, India	1,122.79	52.73
- 28,266,880 (As at March 31, 2022: 28,266,880) shares of ₹10 each fully paid up in Vivimed Life Sciences Private Limited, India	1,347.42	1,347.42
Total (A)	**19,759.13**	**18,689.07**
(B) Investments in associates:		
Equity shares, unquoted (Carried at cost)		
- 11,089,320 (As at March 31, 2022: 11,089,320) shares of ₹1 each fully paid up in Stelis Biopharma Limited, India(formerly known as Stelis Biopharma Private Limited).	5,308.55	5,308.55
Total (B)	**5,308.55**	**5,308.55**
Total [A+B]	**25,067.68**	**23,997.62**
Aggregate amount of unquoted investments	25,067.68	23,997.62
Aggregate amount of impairment in value of investments	150.00	-
Non Current Investments	**24,917.68**	**23,997.62**

Refer Note 37 for disclosures with respect to section 186(4) of Companies Act, 2013. Refer note 42 for related party transactions.

Note:

a) 11,087,706 (As at March 31, 2022: 5,979,370) equity shares are pledged against borrowings taken by Stelis Biopharma Limited from a financial institution.

b) During the year ended March 31, 2023, Stelis Biopharma Limited ('the Associate') has incurred loss of ₹ 7,998 Million and has a net negative working capital position amounting to ₹ 6,368 Million, which includes the current maturities of non-current borrowings of ₹ 3,079 Million as of March 31, 2023. The significant loss for the current year has been on account of continuing operating losses, impairment of certain intangibles under development, provisions recorded for write down of certain inventories and advances.

During the year, the Associate had inventories relating to Sputnik V, which remained unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF) and accordingly has recorded a provision for these inventories towards obsolescence.

The Associate is expected to grow the business of Contract Development and Manufacturing Operations (CDMO) further during the year. During the current financial year, Associate's facility in Bengaluru has successfully

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completed inspection by several regulators including EMA and USFDA and one of its customer has also recently received approval from USFDA for a product filed from the site.

The Associate has requested for temporary relaxations for compliance with the financial covenants from the lenders for fiscal 2022 and 2023 as these have not been met as of the date of these financial results. However, during the year ended March 31, 2023, the shareholders have infused ₹ 7,102 Million by subscribing towards call against the partly paid-up shares, rights issues and as intercorporate debt.

The Associate has received letter of support from one of its shareholders who have committed to extend the necessary financial support. The Associate is exploring various fund raising options including refinancing of debts and currently has received certain term sheets from investors / lenders which are being negotiated. The Associate is also exploring options to monetise some of its assets. The Associate management believes they will be able to finalise these arrangements over the next two quarters to enable it to repay the borrowings due and meet all its other obligations as they fall due. Given the mitigating factors discussed above, the Associate has concluded that it will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate.

Note No. 09 Loans

Loans consists of the following:

(i) Long-term loans

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good:		
Loans to:		
- Related parties (Refer note 42)	504.47	1,246.09
Total	**504.47**	**1,246.09**

(ii) Short-term loans

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good:		
Loans to:		
- Employees	43.74	43.02
- Related parties (Refer note 42)	668.04	-
- Other parties	30.00	-
Total	**741.78**	**43.02**

Note No. 10 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Security deposits*	159.11	186.92
Fixed deposits with banks	10.14	12.38
Balance held as margin money against long term borrowings with others	42.60	-
Total	**211.85**	**199.30**

* Includes security deposit given to related parties (Refer note 42)

Notes
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(ii) Current financial assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good:		
Receivables from related parties (Refer note 42)	55.25	344.75
Interest accrued on loans given to:		
- Related parties (Refer note 42)	223.64	105.87
- Others	8.17	-
Derivative asset	36.42	9.08
Others:		
- Receivable from director (Refer note 42) **	141.90	141.90
- Gratuity claim receivables	67.36	28.83
- Others	15.92	0.13
Total	**548.66**	**630.56**

**The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation on March 29, 2022, which has been accepted by the Board of Directors (Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated August 20, 2020, he was entitled to a joining bonus of ₹ 141.90 Million which had been paid in full by the Company in earlier periods. However, the employment terms contain a provision to claw back the joining bonus in full if he were to leave the Company before completing 36 months from the date of such payment. The Board has decided to recover the joining bonus in accordance with the terms of employment. Accordingly, in line with the requirements of Section 197(9), the Company has shown an amount of ₹ 141.90 Million as a recoverable balance which is disclosed under current financial assets.

Note No. 11 Deferred tax balances

₹ In Million

Particulars	As at 31-Mar-23	As at 31-Mar-22
Deferred tax assets	1,336.49	1,221.88
Deferred tax liabilities	(384.11)	(446.08)
Deferred tax assets (net)	**952.38**	**775.80**

₹ In Million

2022-2023	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(1.84)	-	-	8.49	6.65
Employee benefits	195.51	-	17.96	(27.90)	185.57
Merger related expenses	0.90	-	(0.30)	-	0.60
Leases	19.91	-	8.52	-	28.43
Allowance for credit loss	63.22	-	33.37	-	96.59
Property, plant and equipment and Intangible assets	(444.24)	-	61.88	-	(382.36)
Others	(1.75)	-	-	-	(1.75)
	(168.29)	**-**	**121.43**	**(19.41)**	**(66.27)**
MAT Credit entitlement	939.90	-	-	-	939.90
Tax losses	4.19	-	74.56	-	78.75
Total	**775.80**	**-**	**195.99**	**(19.41)**	**952.38**

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Particulars	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Employee benefits	230.03	-	(35.40)	0.88	195.51
Merger related expenses	5.13	-	(4.23)	-	0.90
Leases	26.44	-	(6.53)	-	19.91
Allowance for credit loss	86.81	-	(23.59)	-	63.22
Cash flow hedges	(22.56)	-	-	20.72	(1.84)
Property, plant and equipment and Intangible assets	(406.75)	-	(37.49)	-	(444.24)
Others	4.97	-	(6.72)	-	(1.75)
	(75.93)	-	(113.96)	21.60	(168.29)
MAT Credit entitlement	828.04	-	111.86	-	939.90
Tax losses	-	-	4.19	-	4.19
Total	**752.11**	**-**	**2.09**	**21.60**	**775.80**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

Note No. 12 Income tax assets (net)

The income tax assets consists of the following:

Non-current income tax assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Advance income tax (net of provisions)	1,512.11	978.22
Income tax paid under protest	63.07	593.77
Total	**1,575.18**	**1,571.99**

Note No. 13 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Considered good:		
- Capital advances	190.19	18.71
- Prepaid expenses	36.44	24.60
Balances with Government authorities:		
- Indirect taxes paid under protest	25.78	25.78
Total	**252.41**	**69.09**

(ii) Other current assets

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Considered good:		
Advances to suppliers	268.79	183.09
Advances to employees	2.31	0.78
Prepaid expenses	244.76	189.46
Incentives receivables	132.56	16.69
Balances with Government authorities	483.95	450.58
Total	**1,132.37**	**840.60**

Note No. 14 Inventories*

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Raw materials (including goods in transit)	3,669.83	3,722.27
Work-in-progress	242.78	282.60
Finished goods	731.20	899.20
Stock-in-trade	-	2.55
Stores and spares	263.83	224.01
Total	**4,907.64**	**5,130.63**

* Refer note 3.13 for mode of valuation of inventories.

*Inventories are pledged (first pari-passu charge) as security towards working capital loans.

Note No. 15 Trade receivables

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Unsecured		
Considered good *	13,354.21	13,144.11
Credit impaired	-	-
	13,354.21	**13,144.11**
Less: Allowance for credit loss (Refer note 45.5)	(276.42)	(180.92)
Total	**13,077.79**	**12,963.19**

*Includes receivables from related parties (Refer note 42)

The Company has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cash flows from the respective trade receivables since they are with recourse to the Company. Accordingly as at March 31, 2023, trade receivables balances include ₹ 565.88 Million (As at March 31, 2022: ₹ 804.12 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

Notes

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Trade receivables ageing as at March 31, 2023

₹ In Million

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables							
- Considered good	6,863.71	2,683.00	641.09	3,066.40	51.24	48.77	13,354.21
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	-	(276.42)
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	6,863.71	**2,683.00**	**641.09**	**3,066.40**	**51.24**	**48.77**	**13,077.79**

Trade receivables ageing as at March 31, 2022

₹ In Million

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables							
- Considered good	5,741.66	4,467.18	2,614.59	274.13	43.19	3.36	13,144.11
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	-	(180.92)
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	5,741.66	**4,467.18**	**2,614.59**	**274.13**	**43.19**	**3.36**	**12,963.19**

Information about Company's exposure to credit and market risk and impairment losses for trade receivables is included in note 45

Note No. 16 Cash and cash equivalents

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Cash on hand	1.59	1.62
Balances with banks:		
- In current accounts	40.09	35.50
- In deposit accounts (Original maturity less than 3 months)	670.08	-
- Funds-in-transit	109.29	84.12
Total	**821.05**	**121.24**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 17 Other balances with banks

₹ In Million

Particulars	31-Mar-23	31-Mar-22
- In deposit accounts (Original maturity more than 3 months but less than 12 months)	7.32	4.02
In earmarked accounts:		
- Unpaid dividend accounts	9.72	10.92
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	9.09	0.09
- Balance held as margin money against working capital facilities with banks	8.29	7.86
Total	**34.75**	**23.22**

Note No. 18 Equity share capital

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Authorised		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2022: 188,370,000 Equity shares of ₹ 10/- each)	1,883.70	1,883.70
	1,883.70	**1,883.70**
Issued, subscribed and fully paid-up		
90,302,704 equity shares of ₹10/- each with voting rights (March 31, 2022: 89,790,214 equity shares of ₹ 10/- each)	903.03	897.90
Total	**903.03**	**897.90**

(i) Reconciliation of number of shares and amount outstanding

Particulars	31-Mar-23		31-Mar-22	
	No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital				
Equity share of ₹ 10/- each				
Balance at the beginning of the year	89,790,214	897.90	89,680,964	896.81
Changes in equity share capital during the year				
- Shares issued pursuant to exercise of stock options (Refer note 40(a))	60,000	0.60	109,250	1.09
- Shares issued pursuant to conversion of share warrants (Refer note 19(j))	452,490	4.53	-	-
Balance at the end of the year	**90,302,704**	**903.03**	**89,790,214**	**897.90**

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

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(iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

Particulars	31-Mar-23		31-Mar-22	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	17,074,132	18.91%	16,926,147	18.85%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	5,221,845	5.78%	5,275,798	5.88%

(iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of shares	
	31-Mar-23	31-Mar-22
Towards employee stock options under the various Strides stock option plans (Refer note 40(a))	2,309,450	2,590,700
Total		

(v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

(vi) Details of equity shares held by promoters

Shareholding of promoters at the end of the year:

S. No	Promoter Name	31-Mar-23			31-Mar-22		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
	Promoters						
1	Arun Kumar Pillai	1,940,997	2.15%	25.96%	1,540,997	1.72%	11.20%
2	Devendra Kumar S*	-	0.00%	(100.00%)	2	0.00%	(100.00%)
3	K R Ravishankar	1,255,593	1.39%	0.00%	1,255,593	1.40%	0.00%
4	Vimal Kumar S*	-	0.00%	(100.00%)	293,201	0.33%	11.90%
5	Pronomz Ventures LLP	17,074,132	18.91%	0.87%	16,926,147	18.85%	2.68%
	Promoters Group						
6	Abhaya Kumar S*	-	0.00%	(100.00%)	57,869	0.00%	100.00%
7	Chaitanya D*	-	0.00%	(100.00%)	59,882	0.07%	112.54%
8	Gayatri Nair	-	0.00%	(100.00%)	33,000	0.04%	0.00%
9	Hemalatha Pillai	66,760	0.07%	0.00%	66,760	0.07%	0.00%
10	Anuradha K R	5,470	0.01%	100.00%	-	0.00%	0.00%
11	Aditya Arun Kumar	58,422	0.06%	100.00%	-	0.00%	0.00%
12	Jatin V*	-	0.00%	(100.00%)	461,042	0.51%	0.00%
13	Jitesh D*	-	0.00%	(100.00%)	25,825	0.03%	0.00%
14	K R Lakshmi	130,365	0.14%	0.00%	130,365	0.15%	0.00%
15	Leela V*	-	0.00%	(100.00%)	417,867	0.47%	0.00%
16	Monisha Nitin*	-	0.00%	(100.00%)	149,764	0.17%	0.00%
17	Nitin Kumar V*	-	0.00%	(100.00%)	527,093	0.59%	5.84%
18	Padmakumar Karunakaran Pillai	186,485	0.21%	0.00%	186,485	0.21%	0.00%
19	Pooja Srisrimal*	-	0.00%	(100.00%)	93,750	0.10%	0.00%
20	Purushothaman Pillai G	-	0.00%	(100.00%)	33,013	0.04%	0.00%
21	Rahul Nair	-	0.00%	(100.00%)	20,000	0.02%	0.00%
22	Rajitha Gopalakrishnan	60,000	0.07%	0.00%	60,000	0.07%	0.00%

Notes
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S. No	Promoter Name	31-Mar-23			31-Mar-22		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
23	Rupali Jatin*	-	0.00%	(100.00%)	189,826	0.21%	0.00%
24	Sajitha Pillai	95,000	0.11%	0.00%	95,000	0.11%	0.00%
25	Sajjan D*	-	0.00%	(100.00%)	176,670	0.20%	(25.67%)
26	Suchi Chaitanya Srisrimal *	-	0.00%	(100.00%)	93,750	0.10%	0.00%
27	V. Jatin (HUF)*	-	0.00%	(100.00%)	408	0.00%	0.00%
28	V. Nitin Kumar (HUF)*	-	0.00%	(100.00%)	500	0.00%	0.00%
29	Vimal Kumar S - (HUF)*	-	0.00%	(100.00%)	115,158	0.13%	0.00%
30	S Abhaya Kumar (HUF)*	-	0.00%	(100.00%)	78,043	0.09%	0.00%
31	Taru Mardia*	-	0.00%	(100.00%)	14,000	0.02%	0.00%
32	Vibha Srisrimal*	-	0.00%	(100.00%)	14,000	0.02%	0.00%
33	Vineetha Mohanakumar Pillai	190,000	0.21%	0.00%	190,000	0.21%	0.00%
34	Lakshmi Gopalakrishnan	-	0.00%	(100.00%)	50,000	0.06%	0.00%
	Body Corporates						
35	Abusha Investment & Management Services LLP	181,216	0.20%	(35.56%)	281,221	0.31%	0.00%
36	Agraganya Private Trust	-	0.00%	(100.00%)	300,000	0.33%	100.00%
37	Ambemata Securities	481,660	0.53%	0.00%	481,660	0.54%	0.00%
38	Shasun Enterprises LLP (Formerly, Devendra Estates LLP)	823,953	0.91%	0.00%	823,953	0.92%	0.00%
39	Shasun Leasing And Finance (P) Limited	1,005,000	1.11%	0.00%	1,005,000	1.12%	0.00%
40	Agraganya Private Trust (Trustee: Barclays Wealth Trustees (I) Pvt. Ltd.)	300,000	0.33%	100.00%	-	0.00%	0.00%
41	Karuna Business Solutions LLP	1,677,540	1.86%	36.94%	1,225,050	1.36%	0.13%

* With effect from February 22, 2023, pursuant to approval from Stock Exchanges, reclassified from promoter shareholding category to public shareholding category

Note No. 19 Other equity

₹ In Million

Particulars	Note	31-Mar-23	31-Mar-22
(A) Share application money pending allotment			
i) Equity share application money pending allotment	19 (A)(i)	-	4.06
(B) Reserves and surplus			
i) Capital reserve	19 (B) (i)	200.79	200.79
ii) Securities premium account			
Securities premium	19 (B) (ii) (a)	17,544.51	17,321.88
Reserve for business restructure (BRR)	19 (B) (ii) (b)	3,846.38	3,846.38
iii) Capital redemption reserve	19 (B) (iii)	601.61	601.61
iv) Share options outstanding account	19 (B) (iv)	23.17	20.46
v) General reserve	19 (B) (v)	3,905.77	3,902.47
vi) Retained earnings	19 (B) (vi)	7,455.69	7,408.87
(C) Items of other comprehensive income			
i) Effective portion of cash flow hedge	19 (C) (i)	(12.38)	3.42
ii) Remeasurement of the defined benefit liabilities / (assets)	19 (C) (ii)	(89.06)	(141.01)
(D) Money received against share warrants	19 (D)	171.00	-
Total		**33,647.48**	**33,168.93**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(A) Share application money pending allotment		
(i) Equity share application money pending allotment		
Opening balance	4.06	-
Add: Received during the year	-	4.06
Less: Shares allotted during the year	(4.06)	-
Total share application money (A)	**-**	**4.06**
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	200.79	200.79
Add: Movement during the year	-	-
Closing balance	**200.79**	**200.79**
(ii) Securities premium account		
(a) Securities premium		
Opening balance	17,321.88	17,272.67
Add: Premium on shares issued during the year (Refer note 40(a))	27.16	49.21
Add: Premium on conversion of share warrants	195.47	-
Closing balance	**17,544.51**	**17,321.88**
(b) Reserve for Business Restructure (BRR)		
Opening balance	3,846.38	3,846.38
Add: Movement during the year	-	-
Closing balance	**3,846.38**	**3,846.38**
Total Securities premium	**21,390.89**	**21,168.26**
(iii) Capital redemption reserve		
Opening balance	601.61	601.61
Add: Movement during the year	-	-
Closing balance	**601.61**	**601.61**
(iv) Share options outstanding account (Refer notes 40(a))		
Opening balance	20.46	47.20
Add: Employee stock compensation expenses (including amounts cross charged to subsidiary)	16.03	12.71
Less: Transferred to securities premium account on exercise (net)	(10.02)	(18.18)
Less: Transferred to general reserve on lapse	(3.30)	(21.27)
Closing balance	**23.17**	**20.46**
(v) General reserve		
Opening balance	3,902.47	3,881.20
Add: Movement during the year	3.30	21.27
Closing balance	**3,905.77**	**3,902.47**
(vi) Retained earnings		
Opening balance	7,408.87	5,831.30
Add: Profit for the year	46.82	1,801.88
Less: Dividend on equity shares	-	(224.31)
Closing balance	**7,455.69**	**7,408.87**
Total Reserves and surplus (B)	**33,577.92**	**33,302.46**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(C) Items of other comprehensive income		
(i) Effective portion of cash flow hedge		
Opening balance	3.42	42.00
Add / (less): Movement during the year	(24.29)	(59.30)
Add / (less): Tax impact on above	8.49	20.72
Closing balance	**(12.38)**	**3.42**
(ii) Remeasurement of the defined benefit liabilities / (assets) (Refer note 41)		
Opening balance	(141.01)	(139.38)
Add / (less): Movement during the year	79.85	(2.51)
Add / (less): Tax impact on above	(27.90)	0.88
Closing balance	**(89.06)**	**(141.01)**
Total items of other comprehensive income (C)	**(101.44)**	**(137.59)**
(D) Money received against share warrants		
Opening balance	-	-
Add: Received during the year	371.00	-
Less: Transferred to equity share capital on allotment (Refer note 19(j))	(4.52)	-
Less: Transferred to securities premium on allotment (Refer note 19(j))	(195.48)	-
Closing balance	**171.00**	**-**
Total Money received against warrants (D)	**171.00**	**-**
Other equity [(A) + (B) + (C) +(D)	**33,647.48**	**33,168.93**

Nature and purpose of other reserve

(a) Capital reserve

Capital reserve is created on account of FCCB's, Mergers and acquisitions and Demergers. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Reserve for Business Restructure

The Scheme of restructuring approved by the shareholders on April 13, 2009 included a Scheme of Arrangement that envisaged the creation of a Reserve for Business Restructure(BRR) as set out in the Scheme. The Reserve was to be utilised by December 31, 2012 for specified purposes by either the Company or its subsidiaries. The balance of ₹ 3,846.38 Million identified under the Securities Premium Account represents amounts utilised by the subsidiaries of the Company from the Reserve prior to December 31, 2012 and have been earmarked for set off on consolidation.

(d) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

(e) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

(f) General reserve

General reserves are the retained earnings of a Company which are apportioned out of Company's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

(g) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

(h) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(i) Remeasurement of the defined benefit liabilities / (asset)

The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised with in this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

(j) Share warrants

Board of Directors of the Company on March 14, 2022 approved the issuance of upto 2,000,000 Equity Warrants at a price of ₹ 442/- per warrant, to Karuna Business Solutions LLP, a promoter group entity, with a right to apply for and get allotted, within a period of 18 (Eighteen) months from the date of allotment of Warrants, 1 (one) Equity Share of face value of ₹ 10/- (Rupee Ten Only) each for each Warrant, for cash. The issue was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on April 7,2022 and has also received requisite listing approvals.

An amount of ₹ 221 Million equivalent to 25% of the Warrant Price was paid to the Company at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares pursuant to exercise of the options.

During the year ended March 31, 2023, on exercise of options by Karuna Business Solutions LLP and on receipt of balance subscription money of ₹150 Million, the Company has fully converted 452,490 convertible warrants into equity shares. Equity warrants of 1,547,510 are pending to be allotted as on March 31.2023.

The Company has fully utilised the amounts of ₹ 371 Million towards capital resources and operations.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 20 Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Secured		
- Debentures from others (Refer note (i) below)	1,207.55	-
- Term loans from banks (Refer note (ii) to (v) below)	402.44	638.05
- Term loans from others (Refer note (vi) to (ix) below)	1,237.44	608.90
Total	**2,847.43**	**1,246.95**

Details of security and terms of repayment for the non-current borrowings:

₹ In Million

Terms of repayment and security	31-Mar-23	31-Mar-22
(i) Debentures		
Series A 500 debentures of ₹1,000,000 each fully paid Series B 750 debentures of ₹1,000,000 each fully paid	1,207.55	-
Terms: Secured, Non-cumulative, Non-convertible, Redeemable debentures Security:		
First ranking pari passu charge over immovable properties, movable properties, intangible assets, goodwill, current assets of the Company.		
First ranking exclusive charge over the equity shares of the subsidiary (Vivimed Life Sciences Private Limited).		
First pari passu charge on fixed assets, immovable properties, intangibles, goodwill and second ranking pari passu charge over all current assets of the subsidiary (Vivimed Life Sciences Private Limited)		
Margin money of ₹36.14 Mn is lien-marked in favour of debenture trustee. Rate of Interest: 11% to 12.42%p.a.		
Repayment:		
For Series A debenture on September 30, 2024 and for Series B debentures 50% on September 30, 2025 and remaining 50% on September 30, 2026.		
(ii) Term loans from banks: Loan 1		
Long-term loan	0.82	1.72
Current maturities of long-term loan	0.89	1.15
Security: Hypothecation of assets procured from the term loans.		
Rate of interest: 7.0% to 8.0% p.a.		
Repayment terms: 36 to 60 monthly instalments. The outstanding term as at March 31, 2023 is 7 to 32 instalments.		
(iii) Term loans from banks: Loan 2		
Long-term loan	153.94	276.58
Current maturities of long-term loan	125.00	125.00
Security: Pari-Passu first charge on the fixed assets of the Company and second Pari-passu charge on the current assets of the Company		
Rate of interest: 9.15% p.a. to 10.35% p.a.		
Repayment terms: 48 equal monthly instalments commencing after 12 months from disbursement date. The outstanding term as at March 31, 2023 is 27 instalments.		
(iv) Term loans from banks: Loan 3		
Long-term loan	-	-
Current maturities of long-term loan	-	33.33

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Details of security and terms of repayment for the non-current borrowings:

₹ In Million

Terms of repayment and security	31-Mar-23	31-Mar-22
Security: Extension of first pari-passu charge on the entire current assets of the Company, both present and future, and extension of second pari-passu charge on all the fixed asset of the Company, both present and future, excluding land and building at CBD Belapur and Navi Mumbai		
Rate of interest: 7.0% p.a. to 8.0% p.a.		
Repayment terms: 18 equal monthly instalments after initial moratorium. The outstanding term as at March 31, 2023 is Nil.		
(v) Term loans from banks: Loan 4		
Long-term loan	247.68	359.75
Current maturities of long-term loan	124.80	124.80
Security: First pari-passu charge on the fixed asset of the Company excluding properties at CBD Belapur, Navi Mumbai and Hosur. Second pari-passu charge on the current assets of the Company		
Rate of interest: 9.7% p.a.		
Repayment terms: 48 equal monthly instalments after initial moratorium of 12 months. The outstanding term as at March 31, 2023 is 35 instalments.		
(vi) Term loans from others: Loan 1		
Long-term loan	694.77	328.88
Current maturities of long-term loan	224.58	125.00
Security: Pari-passu first charge on the fixed assets of the Company and second pari-passu charge on the current assets of the Company		
Rate of interest: 10.0% p.a. to 12.15% p.a.		
Repayment terms: 48 equal monthly instalments from date of first disbursement. The outstanding term as at March 31, 2023 is 32 to 59 instalments.		
(vii) Term loans from others: Loan 2		
Long-term loan	178.24	280.02
Current maturities of long-term loan	103.68	103.68
Security: Pari-passu first charge on the fixed assets of the Company (excluding land and building at Navi Mumbai).		
Rate of interest: 10.6 % p.a. to 12.9% p.a.		
Repayment terms: 20 quarterly structured instalments commencing after initial moratorium. The outstanding term as at March 31, 2023 is 11 instalments.		
(viii) Long-term loans from others: Loan 3		
Long-term loan	189.24	-
Current maturities of long-term loan	53.29	-
Security: First pari-passu charge on the fixed asset of the Company (excluding land and building at Navi Mumbai), and second pari-passu charge on the current assets of the Company.		
Margin money of ₹6.46 Million is lien-marked in favour of lender		
Rate of interest: 11% p.a.		
Repayment terms: 48 monthly instalments from date of disbursement. The outstanding term as at March 31, 2023 is 47 instalments.		

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Details of security and terms of repayment for the non-current borrowings:

₹ In Million

Terms of repayment and security	31-Mar-23	31-Mar-22
(ix) Long-term loans from others: Loan 4		
Long-term loan	175.19	-
Current maturities of finance lease obligation	166.67	-
Security: First 1.25 times *pari-passu* charge on fixed assets of the Company and Second *pari-passu* charge on current assets of the company		
Rate of interest: 10.95% p.a. to 11.8% p.a.		
Repayment terms: 36 monthly instalments commencing from date of disbursement. The outstanding term as at March 31, 2023 is 25 instalments.		
Total	**3,646.34**	**1,759.91**

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Disclosed under long term borrowings	2,847.43	1,246.95
Disclosed under current borrowings:		
- Current maturities of long-term loans	798.91	512.96
Total	**3,646.34**	**1,759.91**

(ii) Current borrowings

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Current		
Current maturities of long-term loans	798.91	512.96
Secured loans repayable on demand from banks:		
- Working capital loans	8,891.38	9,463.75
Unsecured working capital loans from:		
- Bank	954.32	1,056.09
- Others	-	166.57
Total	**10,644.61**	**11,199.37**

Note:

(a) **Details of security for the secured loans repayable on demand:** Working capital and short term loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai).

Rate of interest ranges from 1.50% to 10.4%.

(b) Rate of interest ranges from 6% to 10% for unsecured loans from banks.

(c) The returns and statements filed by the Company with the banks for its working capital loans, are in line with books of accounts of the Company.

(d) Information about Company's exposure to interest rate, foreign currency exposure and liquidity risk are included in note 45.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

Net debt reconciliation

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Non-current borrowings	2,847.43	1,246.95
Current borrowings- working capital loans	9,845.70	10,686.41
Current maturities of non-current borrowings	798.91	512.96
Less:		
Cash and cash equivalents	821.05	121.24
Balances in deposit accounts (Refer note 17)	7.32	4.02
Balance held as margin money against working capital facilities with banks	8.29	7.86
Fixed deposit with bank - non current (Refer note 10(i))	10.14	12.38
Balance held as margin money against long term borrowings with others	42.60	-
Cash and bank balances	**889.40**	**145.50**
Net debt	**12,602.64**	**12,300.82**

₹ In Million

Reconciliation	Cash and cash equivalents	Balance in deposit accounts (including non current)	Balance held as Margin money (including non current)	Non Current borrowings (including current maturities)	Current borrowings	Net Debt
As on April 1, 2022	**121.24**	**16.40**	**7.86**	**1,759.91**	**10,686.41**	**12,300.82**
Cash flows	699.81	1.06	43.03	2,527.93	(744.42)	1,039.61
Repayments	-	-	-	(668.88)	-	(668.88)
Foreign Exchange Fluctuation	-	-	-	-	(96.29)	(96.29)
Others	-	-	-	27.38	-	27.38
As on March 31, 2023	**821.05**	**17.46**	**50.89**	**3,646.34**	**9,845.70**	**12,602.64**

Note No. 21 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Security deposits*	-	6.58
Total	**-**	**6.58**

* Includes security deposit received from related party (Refer note 42)

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

(ii) Other current financial liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest accrued but not due on borrowings	58.54	10.04
Unclaimed dividends*	9.72	10.91
Derivative liability	55.48	3.84
Security deposits***	7.20	-
Other payables:		
- Payables to employees under cash settled share based payment plan	30.00	33.00
- Other payable to employees	126.00	87.84
- Payable to related parties (Refer note 42)	67.27	30.86
- Payables on purchase of property, plant and equipment and intangible assets**	53.88	149.62
- Others	0.33	0.33
Total	**408.42**	**326.44**

*Investor Education and Protection Fund shall be credited when due.

** Includes payables to related parties (Refer note 42)

*** Includes security deposit received from related party (Refer note 42)

Note No. 22 Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Provision for employee benefits:		
Gratuity (Refer note 41)	333.22	334.68
Total	**333.22**	**334.68**

(ii) Current provisions

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Provision for employee benefits:		
- Compensated absences	150.00	204.53
Total	**150.00**	**204.53**

₹ In Million

Movement in provisions (2022-23)	Sales return	Gratuity	Compensated absences	Total
Opening balance	-	334.68	204.53	539.21
Provision recognised/ (utilised) during the year	-	(1.46)	(54.53)	(55.99)
Closing balance	**-**	**333.22**	**150.00**	**483.22**

₹ In Million

Movement in provisions (2021-22)	Sales return	Gratuity	Compensated absences	Total
Opening balance	11.72	282.77	213.04	507.53
Provision recognised/ (utilised) during the year	(11.72)	51.91	(8.51)	31.68

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Movement in provisions (2021-22)	Sales return	Gratuity	Compensated absences	Total
Closing balance	-	334.68	204.53	539.21

Note No. 23 Other liabilities

Other liabilities consist of the following:

(i) Other non-current liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Prepaid rent liability	-	0.51
Total	**-**	**0.51**

(ii) Other current liabilities

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Other payables:		
- Advance from customers*	85.00	20.23
- Statutory liabilities	89.34	97.15
- Others	4.47	4.47
Total	**178.81**	**121.85**

* Includes advance from related party (Refer note 42)

Note No. 24 Trade payables*

₹ In Million

Particulars	31-Mar-23	31-Mar-22
- Total outstanding dues of micro enterprises and small enterprises(MSME) (Refer note (i) below)	137.09	331.32
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,297.33	6,106.65
Total	**6,434.42**	**6,437.97**

* Includes dues to related party (Refer note 42)

Trade payable ageing schedule as at March 31, 2023

₹ In Million

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payables	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed							
- MSME	-	51.28	78.96	4.66	1.79	0.40	137.09
- Others	332.52	2,503.18	3,152.43	124.69	118.86	65.65	6,297.33
Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Trade payable ageing schedule as at March 31, 2022

₹ In Million

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payables	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed							
- MSME	-	139.23	182.63	7.66	1.01	0.79	331.32
- Others	290.00	2,011.36	3,483.21	162.69	81.35	78.04	6,106.65
Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Company to Micro and Small enterprises(MSME), which are outstanding for more than 45 days during the year and as at 31 March 2023. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
- Principal amount due to micro and small enterprises	137.09	331.32
- Interest due on the above	3.53	5.07
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	1,782.32	3,215.23
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	6.26	20.78
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	9.79	25.85
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	64.82	55.03

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 45.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 25 Revenue from operations

A. Revenue Streams

The Company is primarily involved into development and manufacture of pharmaceutical products. Other operating revenue include support service, royalty income and export incentives.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Sale of products*	17,451.64	19,080.25
Sale of services* (Refer note (i) below)	172.72	111.87
Other operating revenues* (Refer note (ii) below)	920.60	597.91
Total	**18,544.96**	**19,790.03**

* Includes revenue from related parties (Refer note 42).

B. Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

₹ In Million

Revenue from contracts with customers	31-Mar-23	31-Mar-22
Africa	629.55	1,153.79
Australia	474.75	443.20
Asia	11,055.96	11,311.91
North America	1,176.42	1,106.40
Europe	3,809.34	4,653.64
India	336.89	483.09
Others	141.45	40.09
Subtotal	**17,624.36**	**19,192.12**
Revenue from other sources		
Other operating revenue	920.60	597.91
Subtotal	**920.60**	**597.91**
Total	**18,544.96**	**19,790.03**

Geographical revenue is allocated based on the location of the customers.

(i) Sale of services comprises:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Development income*	16.58	53.43
Licensing fees*	137.86	27.97
Others	18.28	30.47
Total	**172.72**	**111.87**

* Includes income from related parties (Refer note 42)

(ii) Other operating revenue comprises:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Sale of intellectual property rights (Refer note 42)	543.62	498.52
Royalty income	35.10	28.99
Export and Product Linked incentives	202.09	-
Support service income (Refer note 42)	128.65	61.48
Others	11.14	8.92
Total	**920.60**	**597.91**

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 26 Other income

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest income (Refer note (i) below)*	661.63	887.49
Income from current investment	-	2.84
Rental income from investment property*	18.56	59.79
Other non-operating income		
- Guarantee commission (Refer note 42)*	140.26	137.89
- Gain on sale of property, plant and equipment, investment property and other intangible assets (net)*	-	107.63
- Others	20.21	39.21
Total	**840.66**	**1,234.85**

* Includes income from related parties (Refer note 42)

Note:

(i) Interest income comprises:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest from banks on deposits	13.34	8.72
Interest on loan		
- to related parties (Refer note 42)	136.94	106.02
- to others	3.00	-
Interest from		
- income tax refunds	502.91	748.00
- others	5.44	24.75
Total	**661.63**	**887.49**

Note No. 27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Inventories at the end of the year:		
- Finished goods	731.20	899.20
- Work-in-progress	242.78	282.60
- Stock-in-trade	-	2.55
	973.98	**1,184.35**
Inventories at the beginning of the year:		
- Finished goods	899.20	1,999.95
- Work-in-progress	282.60	309.47
- Stock-in-trade	2.55	17.49
	1,184.35	**2,326.91**
Net decrease	**210.37**	**1,142.56**

Note No. 28 Employee benefits expense

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Salaries, wages and bonus	2,235.69	2,241.02
Contributions to provident and other funds (Refer note 41)	218.03	214.51
Share based compensation expense (Refer note 40)	9.68	(8.90)
Staff welfare expenses	206.74	274.28
Total	**2,670.14**	**2,720.91**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 29 Finance costs

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Interest on borrowings	1,259.51	656.07
Interest on operating lease liabilities (Refer note 5)	71.05	32.64
Other finance costs	56.26	53.70
Total	**1,386.82**	**742.41**

Note No. 30 Depreciation and amortisation expense

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Depreciation on property, plant and equipment	688.16	719.52
Depreciation on right-of-use assets	122.40	117.81
Depreciation on investment property	6.49	25.16
Amortisation on intangible assets	119.16	181.17
Total	**936.21**	**1,043.66**

Note No. 31 Other expenses

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Subcontracting charges	243.64	232.15
Power, fuel and water charges	455.38	437.60
Rent (Refer note 5)	59.88	45.45
Repairs and maintenance:		
- Buildings	33.63	20.83
- Machinery	439.49	505.29
- Others	169.68	146.38
Insurance	88.56	106.05
Rates and taxes	219.69	131.53
Communication expense	76.97	54.79
Travelling and conveyance	72.09	41.61
Printing and stationery	22.17	21.62
Carriage, freight and forwarding	951.02	1,770.65
Business promotion	29.04	3.75
Expenditure on Corporate Social Responsibility (Refer note (i) below)	21.11	24.03
Support service expenses (Refer note 42)	599.55	527.58
Legal and professional fees	280.61	410.84
Payments to auditors (Note (ii) below)	26.33	22.02
Provision for doubtful trade receivables/written off	96.79	38.35
Other receivables written off	-	15.85
Loss on sale of property, plant and equipment and intangibles	13.22	-
Consumption of stores and spares	337.98	466.68
Research and development expenses	75.90	147.34
Foreign exchange (gain)/loss- net	(157.54)	24.52
Failure to supply	-	43.02
Miscellaneous expenses	78.81	49.77
Total	**4,234.00**	**5,287.70**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Note:

(i) Expenditure on Corporate Social Responsibility:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
(a) Gross amount required to be spent during the year	17.75	24.03
(b) Amount spent during the year		
- On recurring and ongoing projects	20.22	24.03
- Administrative overheads	0.89	-
(Surplus) of CSR spent	**(3.36)**	**-**
Total of previous years' shortfall	**-**	**-**

(ii) Payments to the auditors comprises (net of taxes) for:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
- Audit of Standalone, consolidated financial statements, limited review and other certifications	24.70	21.03
- Reimbursement of expenses	1.63	0.99
Total	**26.33**	**22.02**

Note No. 32 Tax expenses

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Current tax		
Current tax expenses	-	20.88
Current tax expense relating to prior years	(498.43)	(1,605.59)
	(498.43)	**(1,584.71)**
Deferred tax benefit		
Deferred tax expense /(benefit)	(195.99)	109.77
Minimum alternative tax credit reversed	-	(111.86)
	(195.99)	**(2.09)**
Net tax expense	**(694.42)**	**(1,586.80)**

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Profit before income taxes	(647.60)	215.08
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	(226.30)	75.16
Tax effect of adjustments to reconcile expected income tax expense to reported income tax:		
Effect of concessions and allowances	38.34	(16.47)
Tax pertaining to prior years	(506.46)	(1,655.32)
Effect of previously unrecognised tax losses and deductible temporary differences	-	-
Others (net)	-	9.83
Total Income tax expense	**(694.42)**	**(1,586.80)**
Income tax expense attributable to:		
Profit before tax	(694.42)	(1,586.80)
	(694.42)	**(1,586.80)**

Refer note 11 for significant components of deferred tax assets and liabilities.

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

The Company is eligible for various tax incentives / exemptions with respect to taxability of income received in India including repatriation of any profits as dividends from subsidiaries and associates, which may result in possible tax litigations/assessments. Assessing the applicability of tax for such repatriations involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/assessments. Judgment is required in assessing the availability of tax incentives / exemptions. These judgments could change over time as each of the matter progresses with the relevant tax authorities and accordingly may impact the accounting treatment followed by the Company. The Company based on its assessments believes that appropriate accruals have been recorded for all these matters, to the extent necessary.

Note No. 33 Earnings and expenditure in foreign currency

33.1 Earnings in foreign currency

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Sale of products	17,213.38	18,639.36
Development income	16.58	53.43
Licensing fees	88.31	27.97
Sale of intellectual property rights	543.62	498.52
Royalty income	35.09	28.99
Guarantee commission	78.17	83.25
Other income	137.93	58.30
Total	**18,113.09**	**19,389.82**

33.2 Expenditure in foreign currency

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Finance costs	196.44	133.33
Consumption of stores and spares	36.20	42.43
Legal and professional fees	126.02	188.95
Rates and taxes	189.00	72.93
Research and development expenses	28.51	27.19
Business promotion	24.86	0.24
Others	70.50	63.76
Total	**671.53**	**528.83**

Note No. 34 Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Salaries, wages and bonus	213.37	255.73
Cost of materials consumed	71.77	67.07
Legal and professional fees	20.82	16.58
Bio study expense	43.34	91.52
Consumption of stores and spares	53.22	107.53
Travelling and conveyance	2.30	7.37
Depreciation and amortisation expense	77.34	89.59
Others	158.68	163.88
Total	**640.84**	**799.27**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 35 Other comprehensive income

₹ In Million

Particulars	31-Mar-23	31-Mar-22
A) Items that will not be reclassified to profit or loss		
Defined benefit obligations	79.85	(2.51)
Income tax on defined benefit obligations	(27.90)	0.88
	51.95	**(1.63)**
B) Items that may be reclassified to profit or loss		
Movement in cash flow hedge	(24.29)	(59.30)
Income tax on cash flow hedge	8.49	20.72
	(15.80)	**(38.58)**
Total	**36.15**	**(40.21)**

Note No. 36 Segment information

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (“CODM”) evaluates the Company’s performance based on an analysis of various performance indicators. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

The Company pursuant to its assessment that the business has now evolved from its incubation stage and to align to the decision to demerge certain parts of its business, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of the aforesaid change, the Company has two operating segments, representing the individual businesses that are managed separately. The Company’s reportable segment are as follows; “Pharmaceutical” and “Bio-pharmaceutical”.

₹ In Million

S. No.	Particulars	31-Mar-23	31-Mar-22
1	Segment Revenue		
	a) Pharmaceutical business	18,544.96	19,790.03
	b) Bio-pharmaceutical business	-	-
	Revenue from operations	**18,544.96**	**19,790.03**
2	Segment results		
	a) Pharmaceutical business	(647.60)	215.08
	b) Bio-pharmaceutical business	-	-
	Profit before tax (I)	(647.60)	215.08
	Tax expense (II)	(694.42)	(1,586.80)
	Profit for the period (I-II)	**46.82**	**1,801.88**

₹ In Million

S. No.	Particulars	31-Mar-23	31-Mar-22
1	Segment Assets		
	a) Pharmaceutical business	51,033.77	49,020.47
	b) Bio-pharmaceutical business	5,163.65	5,318.11
	Total Segment Assets	**56,197.42**	**54,338.58**
2	Segment Liabilities		
	a) Pharmaceutical business	21,646.91	20,271.75
	b) Bio-pharmaceutical business	-	-
	Total Segment Liabilities	**21,646.91**	**20,271.75**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Other than revenue from related parties as disclosed in note 42 of the standalone financial statements, no external customer individually accounted for more than 10% of the total revenue of the Company for the year ended March 31, 2023 and March 31, 2022.

Note No. 37 Details of Loans and Investments during the year

37.1 Details of Loans made by the Company

Details of loans during the year

₹ In Million

Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2022	Given during the year	Repayment during the year	As at March 31, 2023
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.50%	2 Years	1,216.09	80.42	628.46	668.05
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.95%	2 Years	-	250.00	-	250.00
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	14.00%	2 Years	-	254.41	-	254.41
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.65%	3 Years	-	387.05	387.00	0.05
Strides Consumer Private Limited	Associate	Unsecured	10%	5 Years	30.00	-	-	30.00
Total					**1,246.09**	**971.88**	**1,015.46**	**1,202.51**

Details of loans during the previous year

₹ In Million

Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2022	Given during the year	Repayment during the year	As at March 31, 2023
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.50%	2 Years	822.21	463.87	70.00	1,216.09
Strides Consumer Private Limited	Associate	Unsecured	10%	5 Years	30.00	-	-	30.00
Total					**852.21**	**463.87**	**70.00**	**1,246.09**

All the above loans are given for the purpose of business operations of the borrowers as long term strategic investment.

37.2 Details of non-current investments purchased and sold during the year:

₹ In Million

Particulars	Face value per unit	As at April 1, 2022	Invested during the year	Sold during the year	As at March 31, 2023
(A) Investments in subsidiaries: (Carried at cost)					
Equity shares, unquoted					
Strides Arcolab International Limited, UK	GBP 1	5,322.52	-	-	5,322.52
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	11,476.68	-	-	11,476.68
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	466.59
Vivimed Life Sciences Private Limited, India	₹10	1,347.42	-	-	1,347.42
Arcolab Private Limited, India	₹10	52.73	1,070.06	-	1,122.79
		18,689.07	**1,070.06**	**-**	**19,759.13**
(B) Investments in associates: (Carried at cost)					
Equity shares, unquoted					
Stelis Biopharma Limited, India	₹1	5,308.55	-	-	5,308.55
		5,308.55	**-**	**-**	**5,308.55**
Aggregate amount of impairment in value of investments		-	-	-	150.00
Total		**23,997.62**	**1,070.06**	**-**	**24,917.68**

Details of non-current investments purchased and sold during the previous year:

₹ In Million

Particulars	Face value per unit	As at April 1, 2021	Invested during the year	Sold during the year	As at March 31, 2022
(A) Investments in subsidiaries: (Carried at cost)					
Equity shares, unquoted					
Strides Arcolab International Limited, UK	GBP 1	5,322.52	-	-	5,322.52
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	11,476.68	-	-	11,476.68
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	466.59
Vivimed Life Sciences Private Limited, India	₹10	1,347.42	-	-	1,347.42
Arcolab Private Limited, India	₹10	1.60	51.13	-	52.73
		18,637.94	**51.13**	**-**	**18,689.07**
(B) Investments in associates: (Carried at cost)					
Equity shares, unquoted					
Stelis Biopharma Private Limited, India	₹1	5,308.55	-	-	5,308.55
Strides Consumer Private Limited, India	₹100	-	-	-	-
		5,308.55	**-**	**-**	**5,308.55**
Total		**23,946.49**	**51.13**	**-**	**23,997.62**

37.3 Details of current investments purchased and sold:

Details current investments purchased and sold during the previous year:

₹ In Million

Particulars	As at April 1, 2021	Purchase during the year	Sold during the year	As at March 31, 2022
Investment measured at fair value through profit or loss				
Quoted investments				
Investments in mutual funds	-	540.61	(540.61)	-
Total	**-**	**540.61**	**(540.61)**	**-**

In the current year there are no current investment purchased or sold.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

37.4 Movement in corporate guarantee during the year

₹ In Million

Particulars	As at April 1, 2022	Given during the year	Withdrawn/ Cancelled during the year	Exchange rate movement	As at March 31, 2023
Strides Pharma Global Pte. Limited - Banks and financial institutions	9,503.61	-	(1,898.85)	631.46	8,236.22
Purpose: Non-current and working capital borrowings for capital investments					
Stelis Biopharma Private Limited, India - Banks and financial institutions	9,419.83	1,500.00	-	294.04	11,213.87
Purpose: Non-current and working capital borrowings					
Strides Pharma Inc., USA- Banks and financial institutions	1,139.30	-	(481.63)	-	657.67
Purpose- workings capital borrowings					
Vivimed Life Sciences Private Limited, India - Banks and financial institutions	320.00	300.00	-	-	620.00
Purpose: Non-current and working capital borrowings					
Strides Pharma UK Ltd., UK - Banks and financial institutions	598.73	-	-	9.80	608.53
Purpose: Asset acquisition and Working capital borrowings					
Total	**20,981.47**	**1,800.00**	**(2,380.48)**	**935.30**	**21,336.29**

Movement in corporate guarantee during the previous year

₹ In Million

Particulars	As at April 1, 2021	Given during the year	Withdrawn/ Cancelled during the year	Exchange rate movement	As at March 31, 2022
Strides Pharma Global Pte. Limited - Banks and financial institutions	7,090.75	2,144.03	-	268.83	9,503.61
Purpose: Non-current borrowings for capital investments					
Stelis Biopharma Private Limited, India - Banks and financial institutions	6,188.52	3,100.00	-	131.31	9,419.83
Purpose: Non-current borrowings for capital investments					
Strides Pharma Inc., USA- Banks and financial institutions	1,463.19	-	(365.80)	41.91	1,139.30
Purpose- Non-current and workings capital borrowings					
Vivimed Life Sciences Private Limited, India - Banks and financial institutions	320.00	-	-	-	320.00
Purpose: Working capital borrowings					
Strides Pharma UK Ltd., UK - Banks and financial institutions	605.14	-	-	(6.41)	598.73
Purpose: Asset acquisition and Working capital borrowings					
Total	**15,667.60**	**5,244.03**	**(365.80)**	**435.64**	**20,981.47**

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

37.5 Movement in securities pledged during the year

₹ In Million

Particulars	As at April 1, 2022	Given during the year	Withdrawn/ Cancelled during the year	As at March 31, 2023
Strides Pharma Global Pte. Limited - Banks and financial institutions	3,500.00	-	-	3,500.00
Purpose: Non-current borrowings for capital investments				
Charge on the Fixed assets of the Company				
Stelis Biopharma Private Limited, India - Banks and financial institutions	4,009.00	454.80	-	4,463.80
Purpose: Non-current borrowings for capital investments				
(i) Second pari-passu Charge on Shares Pledged by the Company				

Movement in securities pledged during the previous year

₹ In Million

Particulars	As at April 1, 2021	Given during the year	Withdrawn/ Cancelled during the year	As at March 31, 2022
Strides Pharma Global Pte. Limited - Banks and financial institutions	3,500.00	-	-	3,500.00
Purpose: Non-current borrowings for capital investments				
Charge on the Fixed assets of the Company				
Stelis Biopharma Private Limited, India - Banks and financial institutions	3,899.00	110.00	-	4,009.00
Purpose: Non-current borrowings for capital investments				
(i) Second pari-passu Charge on Shares Pledged by the Company				

37.6 Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances, the amount in the nature of loans outstanding at year end:

₹ In Million

Particulars	Outstanding		Maximum amount outstanding during the year ended	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Strides Consumer Private Limited	30.00	30.00	30.00	30.00
Vivimed Life Sciences Private limited (interest range 10.50% p.a. to 14.00% p.a.)	1,172.51	1,216.09	1,227.11	1,216.09
Total	**1,202.51**	**1,246.09**	**1,257.11**	**1,246.09**

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 38 Commitments

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	279.74	141.20
Total	**279.74**	**141.20**

Note No. 39 Contingent liabilities (to the extent not provided for)

₹ In Million

Particulars	31-Mar-23	31-Mar-22
a) Corporate guarantees		
The Corporate has given guarantees given corporate guarantees to financial institutions and other parties, including on behalf of its subsidiaries in the ordinary course of business (to the extent of outstanding borrowing of the underlying Guarantee)*	11,843.37	14,728.57
b) Claims against the Company not acknowledged as debt		
- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	699.02	1,740.14
- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	588.01	588.01

* Refer note 42

As per the judgment of Honourable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Other than the matters disclosed above, the Company is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Company's financial position or results of operations.

Note No. 40 Share-based payments

a. Details of the employee share option plan of the Company:

(a) The ESOP titled "Strides ESOP 2016" (formerly known as Strides Shasun ESOP 2016) (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Company has granted 442,500 options (Previous year: 67,500) under this scheme during the current year.

(b) During the current year, Employee compensation costs of ₹ 12.68 Million (for the year ended March 31, 2022: ₹ 10.90 Million) relating to the above referred Employee Stock Option Plans have been recognised in the Statement of Profit and Loss.

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

Fair value of share options granted during the year

The fair value of the share options granted during the year under ESOP 2016 Lot XII, ESOP 2016 Lot XIII, ESOP Lot XIV and ESOP 2016 Lot XV are ₹154.79, 163.72, 126.76, and ₹161.52 respectively. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model -

Particulars	ESOP 2016-XII	ESOP 2016-XIII	ESOP 2016-XIV	ESOP 2016-XV
No of Options	3,50,000	30,000	42,500	20,000
Grant date share price	₹ 307.25	₹ 334.45	₹ 319.05	₹ 337.10
Exercise price	₹ 231.00	₹ 251.00	₹ 240.00	₹ 253.00
Expected volatility	49.22%	45.22%	19.06%	42.97%
Option life	3 years	3 years	3 years	3 years
Expected Dividend %	20.00%	20.00%	20.00%	20.00%
Risk-free interest rate	7.359%	7.414%	7.287%	7.346%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2022-23		During the year 2021-22	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	1,35,250	393.98	2,45,900	348.79
Granted during the year:	4,42,500	234.21	67,500	508.84
Exercised during the year:**	(46,500)	294.06	(1,22,750)	294.80
Lapsed/ cancelled during the year:	(1,61,250)	351.10	(55,400)	621.49
Options outstanding at the end of the year:*	3,70,000	237.55	1,35,250	393.98
Options available for grant:	23,09,450	-	25,90,700	-

* Includes options vested but not exercised as at March 31, 2023: Nil (March 31, 2022: 35,250)

** Includes options exercised but not allotted as at March 31, 2023: Nil (March 31, 2022: 13,500)

b. Details of the cash settled share based payment plan of the Company:

On May 20, 2020, the Board approved "Strides Long Term Incentive Plan 2020" titled the LTIP 2020 ("the Plan"). The Plan shall be in the form of Phantom Units. Each Phantom Unit, upon exercise, entitles the awardee a cash benefit equal to the Share Price on the date of exercise minus exercise price to be paid to the Company.

The vesting period of these units is one year. The units must be exercised within a period of twelve months from the date of vesting. The Company has granted Nil options (Previous year: Nil) under this scheme during the current year.

During the current year, Employee compensation cost reversal of ₹ 3 Million (cost reversal for the year ended March 31, 2022: ₹ 19.80 Million) relating to the plan have been recorded in the statement of Profit and Loss on account of final settlement of the Phantom units granted previous year.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

Note No. 41 Employee Benefits Plans

Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 137.69 Million for provident fund contributions, ₹ 1.95 Million for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

The Company offers gratuity benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ In Million

Particulars	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.36%	6.91%
Expected rate(s) of salary increase	8.00%	10.00%
Attrition rate	15.00%	11.00%
Mortality Rate	As per IALM (2012-14) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Service cost:		
Current service cost	56.96	51.53
Net interest expense	21.43	17.11
Components of defined benefit costs recognised in statement of profit and loss	**78.39**	**68.64**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short	(2.00)	(1.57)
Actuarial losses arising from changes in demographic assumptions	(17.53)	7.22
Actuarial losses arising from changes in financial assumptions	(51.52)	(11.45)

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Actuarial losses arising from experience adjustments	(8.80)	8.31
Components of defined benefit costs recognised in other comprehensive income	**(79.85)**	**2.51**
Total	**(1.46)**	**71.15**

The current service cost and the net interest expense for the year are included in the ‘Employee benefits expense’ line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity’s obligation in respect of its defined benefit plans is as follows:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Present value of funded defined benefit obligation	426.99	464.87
Fair value of plan assets	(93.77)	(130.19)
Funded status	**333.22**	**334.68**
Present value of unfunded defined benefit obligation	-	-
Net liability arising from defined benefit obligation	**333.22**	**334.68**

Movements in the present value of the defined benefit obligation are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-23	31-Mar-22
Opening defined benefit obligation	464.87	409.26
(less) on account of acquisitions / transfers	-	2.76
Expenses recognised in statement of profit and loss		
Current service cost	56.96	51.53
Interest cost	30.41	25.43
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(51.52)	(11.45)
Actuarial gains and losses arising from experience adjustments	(8.80)	8.31
Actuarial gains and losses arising from demographic assumption	(17.53)	7.22
Benefits paid	(47.40)	(28.19)
Closing defined benefit obligation	**426.99**	**464.87**

Movements in the fair value of the plan assets are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-23	31-Mar-22
Opening fair value of plan assets	130.19	126.49
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	8.98	8.32
Contributions from the employer	-	22.00
Actuarial gain/(loss) on plan assets	2.00	1.57
Benefits paid	(47.40)	(28.19)
Closing fair value of plan assets	**93.77**	**130.19**

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Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 407.14 Million (₹ 448.87 Million) as at March 31, 2023.

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 466.72 Million (₹ 408.18 Million) as at March 31, 2023.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future cash outflows towards the plan are as follows-

₹ In Million

Financial Year	Amount
2023-24	69.09
2024-25	59.01
2025-26	58.87
2026-27	62.71
2027-28	50.15
2028-29 to 2032-33	186.31

Note No. 42

Related party transactions: List of related parties

Relationship	Name
Wholly owned subsidiaries	**Direct Holding**
	Arco Lab Private Limited, India
	Strides Arcolab International Limited, UK
	Strides Pharma Asia Pte Limited, Singapore
	Strides Pharma International Limited, Cyprus
	SVADS Holdings SA, Switzerland
	Vivimed Life Sciences Private Limited, India
	Step down subsidiaries
	Altima Innovations Inc, USA
	Arrow Life Sciences (Malaysia) Sdn. Bhd., Malaysia
	Arrow Pharma (Private) Limited, Sri Lanka (Upto September 9, 2021)
	Arrow Pharma Life Inc., Philippines (Upto September 13, 2021)

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Relationship	Name
Wholly owned subsidiaries	Arrow Pharma Pte Limited, Singapore (upto March 30, 2023)
	Generic Partners (Canada) Inc., Canada (Upto October 12 2021)
	Generic Partners UK Limited, UK
	Generic Partners (International) Pte. Ltd., Singapore (Upto June 1,2021)
	Generic Partners (R&D) Pte. Ltd., Singapore (Upto June 1, 2021)
	Pharmapar Inc, Canada (from June 30, 2021)
	Shasun Pharma Solutions Inc, USA(Upto November 30,2021)
	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia
	Strides CIS Limited, Cyprus
	Strides LifeSciences Limited, Nigeria
	Strides Netherlands BV, Netherlands
	Strides Nordic ApS, Nordic
	Strides Pharma (Cyprus) Limited, Cyprus
	Strides Pharma Global (UK) Limited, UK
	Strides Pharma Global Pte Limited, Singapore
	Strides Pharma Inc, USA
	Strides Pharma (UK) Limited, UK
	Strides Pharma Canada Inc, Canada
	Strides Pharma Science Pty Ltd., Australia
	Strides Vivimed Pte Limited, Singapore (Upto June 1, 2021)
	Stabilis Pharma Inc(Upto July 1, 2022)
	Vensun Pharmaceuticals Inc, USA
	Strides Pharma Services Private Limited (with effect from July 11, 2022)
Other Subsidiaries:	**Direct Holding:**
	Step down subsidiaries
	Apollo Life Sciences Holdings Proprietary Limited, South Africa (51.76%)
	Beltapharm, SpA, Italy (97.94%)
	Eris Pharma GmbH, Germany (70%)
	Fairmed Healthcare AG, Switzerland(70%)
	Fairmed Healthcare GmbH, Germany(70%)
	Pharmapar Inc, Canada (80%) (Upto June 29, 2021)
	Strides Pharma (SA) Pty Limited, South Africa (60%)
	Strides Shasun Latina SA De CV, Mexico (80%)
	Trinity Pharma Proprietary Limited, South Africa (51.76%)
	Universal Corporation Limited, Kenya (upto September 30, 2022)
	Trusts:
	Strides Foundation Trust, India
Joint Ventures (JV)	Sihuan Strides (HK) Ltd., Hongkong

Notes

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Relationship	Name
Associates	Aponia Laboratories Inc, USA
	Biolexis Private Limited, India
	Juno OTC Inc, Canada (with effect from May 31, 2019 to June 14, 2021)
	Regional Bio Equivalence Centre S.C., Ethiopia (upto September 30, 2022)
	Stelis Biopharma Limited, India, (Formerly known as Stelis Biopharma Private Limited, India)
	Stelis Pte. Ltd.,(Biolexis Pte Ltd.) Singapore
	Strides Consumer Private Limited, India (upto August 8, 2022)
	Stelis Biopharma LLC, USA (upto January 12, 2022)
	Neviton Softech Private Limited, India (with effective from August 5, 2022)
	Universal Corporation Limited, Kenya (with effective from September 30, 2022)
	Stelis Biopharma UK Private Limited(with effective from July 11, 2022)
	Strides Consumer LLC, USA (upto August 8, 2022)
	Strides Global Consumer Healthcare Limited, UK (upto August 8, 2022)
Director and Key Management Personnel	Mr. Arun Kumar, Chairman and Non-Executive Director
	Dr. R Ananthanarayanan, Managing Director & CEO(upto March 31, 2022)
	Mr. Badree Komandur, Executive Director- Finance & Group CFO
	Mr. Deepak Vaidya, Non-Executive Director(upto November 14, 2022)
	Mr. Bharat D Shah, Independent Director
	Mr. S. Sridhar, Independent Director
	Dr. Kausalya Santhanam, Independent Director
	Mr. Homi Rustam Khusrokhan, Independent Director
	Ms. Manjula Ramamurthy, Company Secretary
Enterprises owned or significantly influenced by directors, key management personnel and their relatives	Alivira Animal Health Limited, India
	Atma Projects, India
	Aurore Life Sciences Private Limited, India
	Aurore Pharmaceuticals Private Limited, India
	Chayadeep Properties Private Limited, India
	Karuna Business Solutions LLP, India
	K.R. Anuradha
	Naari Pharma Private Limited, India
	Shasun Enterprises LLP(formerly Known as Devendra Estates LLP)
	Shasun USA Inc, USA
	Solara Active Pharma Sciences Limited, India
	Steriscience Specialties Private Limited, India
	Tenshi Kaizen Private Limited, India
	Tenshi Life Sciences Private Limited, India (Merged with Tenshi Pharmaceuticals Private Limited on January 6, 2023 with an appointed date of April 1,2021)
	Tenshi Pharmaceuticals Private Limited (formerly known as Sovizen Life Sciences Private Limited, India and Steriscience Private Limited, India)
	Venkata Narayana Active Ingredients, India
	Velbiom Probiotics Private Limited, India (formerly Tenshi Life Care Private Limited, India)

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by directors or KMP or their relatives	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Balance of (trade payables) net of advance paid:										
1 Atma Projects	-	-	-	-	-	-	-	-	-	(16.98)
2 Arco Lab Private Limited	-	(27.41)	-	-	-	-	-	-	-	-
3 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	(22.19)	(202.24)
4 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	(54.34)	(144.40)
5 Beltapharm S.p.A.	-	-	-	(0.13)	-	-	-	-	-	-
6 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	(2.44)
7 Fairmed Healthcare AG	-	-	(0.25)	(4.09)	-	-	-	-	-	-
8 Fair-Med Healthcare GmbH	-	-	(140.64)	(61.94)	-	-	-	-	-	-
9 Strides Consumer Private Limited	-	-	-	-	-	(0.22)	-	-	-	-
10 Strides Pharma Inc.	(50.64)	(395.30)	-	-	-	-	-	-	-	-
11 Strides Pharma Global Pte Limited	(195.64)	(125.19)	-	-	-	-	-	-	-	-
12 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(1,975.95)	(1,105.28)
13 Stelis Biopharma Limited	-	-	-	-	(0.90)	(0.73)	-	-	-	-
14 Strides Lifesciences Limited	(0.58)	(0.22)	-	-	-	-	-	-	-	-
15 Trinity Pharma (Pty) Ltd.	-	-	-	(1.12)	-	-	-	-	-	-
16 Universal Corporation Limited	-	-	-	(12.16)	(1.66)	-	-	-	-	-
17 Vivimed Life Sciences Private Limited	(4.28)	(12.24)	-	-	-	-	-	-	-	-
18 Strides Pharma (UK) Limited, UK	(160.31)	(65.48)	-	-	-	-	-	-	-	-
19 Venkata Narayana Active Ingredients	-	-	-	-	-	-	-	-	(6.58)	-
20 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	(5.30)	-
21 Strides Pharma Netherland B.V	(14.30)	-	-	-	-	-	-	-	-	-
22 Strides South Africa Pty Ltd.	-	-	(0.12)	-	-	-	-	-	-	-
Balance of trade receivables (net of advance received):										
1 Arco Lab Private Limited	0.59	2.48	-	-	-	-	-	-	-	-
2 Beltapharm S.p.A.	-	-	1.17	1.11	-	-	-	-	-	-
3 Fairmed Healthcare AG	-	-	-	487.67	-	-	-	-	-	-
4 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	1.40	0.01
5 Sihuan Strides (HK) Limited	-	-	-	-	40.09	37.03	-	-	-	-
6 Strides Pharma (UK) Limited, UK	1,236.41	1,974.16	-	-	-	-	-	-	-	-
7 Strides Pharma Canada Inc.,	3.84	1.79	-	-	-	-	-	-	-	-
8 Strides Netherlands B.V	23.28	152.11	-	-	-	-	-	-	-	-
9 Strides Shasun Latina SA De CV	-	-	0.79	2.69	-	-	-	-	-	-
10 Strides South Africa Pty Ltd.	-	-	103.60	89.47	-	-	-	-	-	-
11 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	1.69	8.21

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by directors or KMP or their relatives	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Balance of trade receivables (net of advance received):										
1 Strides Pharma Global Pte Limited	9,487.94	8,844.29	-	-	-	-	-	-	-	-
2 Strides Nordic Aps	212.00	25.52	-	-	-	-	-	-	-	-
3 Stelis Biopharma Limited	-	-	-	-	55.45	7.61	-	-	-	-
4 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	11.67	3.78
5 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.06	0.06
6 Trinity Pharma (Pty) Ltd.	-	-	15.96	43.95	-	-	-	-	-	-
7 Strides Consumer Private Limited	-	-	-	-	-	12.68	-	-	-	-
8 Strides Global Consumer Healthcare Limited	-	-	-	-	-	0.04	-	-	-	-
9 Strides Consumer LLC	-	-	-	-	-	0.04	-	-	-	-
10 Strides Pharma Inc.	129.18	0.38	-	-	-	-	-	-	-	-
11 Universal Corporation Limited	-	-	-	39.72	18.18	-	-	-	-	-
12 Vivimed Life Sciences Private Limited	164.20	34.61	-	-	-	-	-	-	-	-
13 Strides Pharma (Cyprus) Limited	-	27.83	-	-	-	-	-	-	-	-
14 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	68.17	-
Loan Receivable										
1 Strides Consumer Private Limited	-	-	-	-	-	30.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	1,172.51	1,216.09	-	-	-	-	-	-	-	-
Guarantees/security given*										
1 Stelis Biopharma Limited	-	-	-	-	11,778.67	9,529.83	-	-	-	-
2 Vivimed Life Sciences Private Limited	620.00	320.00	-	-	-	-	-	-	-	-
3 Strides Pharma Global Pte Limited	8,236.22	9,503.61	-	-	-	-	-	-	-	-
4 Strides Pharma Inc.	657.67	1,139.30	-	-	-	-	-	-	-	-
5 Strides Pharma (UK) Limited, UK	608.53	598.73	-	-	-	-	-	-	-	-
Balance of Deposit paid										
1 Atma Projects	-	-	-	-	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	20.77	21.88
3 K.R. Anuradha	-	-	-	-	-	-	-	-	46.07	-
Balance of deposits received										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	7.20	7.20

*Note: In respect to loans against which Company has given guarantee as well as pledged security, the amount of guarantee u/s under note 42 has been disclosed, since the guarantee amount exceeds the underlying amount of loan outstanding as at March 31, 2023.

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by directors or KMP or their relatives	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Other financial assets (liabilities) and other assets (liabilities)										
1 Beltapharm S.p.A.	-	-	3.21	1.90	-	-	-	-	-	-
2 Fairmed Healthcare Ag			(0.63)	-	-	-	-	-	-	-
3 Stelis Biopharma Limited	-	-	-	-	-	6.00	-	-	-	-
4 Steriscience Specialities Private Limited	-	-	-	-	-	-	-	-	-	0.00
5 Strides Consumer Private Limited	-	-	-	-	-	22.47	-	-	-	-
6 Strides Pharma Asia Pte Limited	-	14.91	-	-	-	-	-	-	-	-
7 Strides Pharma (Cyprus) Limited	(78.78)	1.54	-	-	-	-	-	-	-	-
8 Strides Pharma Canada Inc.,	-	0.45	-	-	-	-	-	-	-	-
9 Strides CIS Limited	-	(30.86)	-	-	-	-	-	-	-	-
10 Strides Pharma Global Pte Limited	(59.09)	251.89	-	-	-	-	-	-	-	-
11 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	5.86	5.86
12 Strides Pharma (UK) Limited, UK	6.08	1.84	-	-	-	-	-	-	-	-
13 Strides Pharma Inc.	(7.73)	(7.30)	-	-	-	-	-	-	-	-
14 Universal Corporation Limited	-	-	-	25.67	32.48	-	-	-	-	-
15 Vivimed Life Sciences Private Limited	232.44	104.08	-	-	-	-	-	-	-	-
16 Arcolab Private Limited	3.42	-	-	-	-	-	-	-	-	-
17 ATMA PROJECTS	-	-	-	-	-	-	-	-	29.50	-
18 Chayadeep Properties Pvt. Ltd.	-	-	-	-	-	-	-	-	12.16	-
19 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.02	-
20 Mr. Arun Kumar	-	-	-	-	-	-	-	(0.20)	-	-
21 Dr. R Ananthanarayanan	-	-	-	-	-	-	111.90	111.90	-	-
22 Mr. Deepak Vaidya	-	-	-	-	-	-	-	(0.10)	-	-
23 Dr. Kausalya Santhanam	-	-	-	-	-	-	-	(0.10)	-	-
24 Mr. S. Sridhar	-	-	-	-	-	-	-	(0.10)	-	-
25 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	-	(0.10)	-	-
26 Mr. Bharat D Shah	-	-	-	-	-	-	-	(0.10)	-	-

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Sales of materials/services										
1 Steriscience Specialities Private Ltd.	-	-	-	-	-	-	-	-	47.63	0.08
2 Stelis Biopharma Limited	-	-	-	-	0.07	0.01	-	-	-	-
3 Strides Pharma (UK) Limited, UK	609.58	2,389.40	-	-	-	-	-	-	-	-
4 Strides Pharma (Cyprus) Limited	444.72	479.78	-	-	-	-	-	-	-	-
5 Strides Pharma Global Pte Limited	11,046.33	11,168.70	-	-	-	-	-	-	-	-
6 Strides Pharma Inc.	58.75	0.36	-	-	-	-	-	-	-	-
7 Strides Pharma Canada Inc.,	3.82	1.76	-	-	-	-	-	-	-	-
8 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.10	0.01
9 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	0.08	-
10 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	0.05
11 Trinity Pharma (Pty) Ltd.	-	-	14.68	48.33	-	-	-	-	-	-
12 Universal Corporation Limited	-	-	67.09	45.91	3.06	-	-	-	-	-
13 Fairmed Healthcare AG	-	-	7.28	270.49	-	-	-	-	-	-
14 Juno OTC Inc	-	-	-	-	-	6.38	-	-	-	-
15 Strides Netherlands B.V	65.68	138.59	-	-	-	-	-	-	-	-
16 Strides Nordic Aps	316.39	25.72	-	-	-	-	-	-	-	-
17 Strides South Africa Pty Ltd.	-	-	46.69	56.84	-	-	-	-	-	-
18 Vivimed Life Sciences Private Limited	120.03	19.93	-	-	-	-	-	-	-	-
19 Strides Consumer Private Limited	-	-	-	-	10.56	8.12	-	-	-	-
Sale of intellectual property rights										
1 Strides Pharma Global Pte Limited	543.62	498.52	-	-	-	-	-	-	-	-
Purchase / (returns) of intellectual property rights										
1 Strides Pharma Canada Inc.,	-	(66.55)	-	-	-	-	-	-	-	-
2 Stelis Biopharma Limited	-	-	-	-	-	(7.31)	-	-	-	-
Sale of property, plant and equipment										
1 Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	-	630.00
2 Stelis Biopharma Limited	-	-	-	-	0.97	-	-	-	-	-
3 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	3.20
4 Vivimed Life Sciences Private Limited	1.42	0.05	-	-	-	-	-	-	-	-
5 Universal Corporation Limited	-	-	-	0.30	-	-	-	-	-	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Interest income										
1 Strides Consumer Private Limited		-	-	-	1.00	3.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	136.93	103.02	-	-	-	-	-	-	-	-
Guarantee commission income										
1 Stelis Biopharma Limited	-	-	-	-	59.49	52.16	-	-	-	-
2 Strides Pharma Global Pte Limited	64.99	65.98	-	-	-	-	-	-	-	-
3 Strides Pharma Inc.	10.89	13.12	-	-	-	-	-	-	-	-
4 Strides Pharma (UK) Limited, UK	2.37	4.16	-	-	-	-	-	-	-	-
5 Vivimed Life Sciences Private Limited	2.53	2.47	-	-	-	-	-	-	-	-
Guarantee/security given										
1 Stelis Biopharma Limited	-	-	-	-	1,954.80	3,210.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	300.00	-	-	-	-	-	-	-	-	-
3 Strides Pharma Global Pte Limited	-	2,144.03	-	-	-	-	-	-	-	-
Support service income										
1 Stelis Biopharma Limited	-	-	-	-	-	2.10	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	0.40	1.20	-	-	-	-
3 Strides Global Consumer Healthcare Limited	-	-	-	-	0.16	0.45	-	-	-	-
4 Strides Consumer LLC	-	-	-	-	0.16	0.45	-	-	-	-
5 Strides Pharma (Cyprus) Limited	30.44	26.80	-	-	-	-	-	-	-	-
6 Strides Pharma Global Pte Limited	22.23	15.49	-	-	-	-	-	-	-	-
7 Universal Corporation Limited	-	-	-	15.00	-	-	-	-	-	-
8 Strides Pharma Inc.	73.82	-	-	-	-	-	-	-	-	-
Rental income from operating leases										
1 Arco Lab Private Limited	-	1.66	-	-	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	0.30	0.89	-	-	-	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	16.01	15.18
4 Vivimed Life Sciences Private Limited	0.07	0.06	-	-	-	-	-	-	-	-
5 Stelis Biopharma Limited	-	-	-	-	1.11	-	-	-	-	-

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Purchase of materials/services										
1 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	116.00	244.98
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	32.28	336.29
3 Strides Pharma Global Pte Limited	83.32	55.96	-	-	-	-	-	-	-	-
4 Strides Pharma Inc.	10.74	183.95	-	-	-	-	-	-	-	-
5 Stelis Biopharma Limited	-	-	-	-	-	46.03	-	-	-	-
6 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	2,023.22	1,054.95
7 Vivimed Life Sciences Private Limited	28.38	25.70	-	-	-	-	-	-	-	-
8 Venkata Narayana Active Ingredients	-	-	-	-	-	-	-	-	7.08	-
Support service expenses										
1 Arco Lab Private Limited	598.45	526.59	-	-	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	0.40	1.19	-	-	-	-
Purchase of assets										
1 Strides Pharma Global Pte Limited	46.15	2.21	-	-	-	-	-	-	-	-
2 Vivimed Life Sciences Private Limited	-	0.18	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred by										
1 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.11	0.03
2 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	0.04
3 Beltapharm S.p.A.	-	-	-	0.96	-	-	-	-	-	-
4 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	3.16	1.22
5 Fairmed Healthcare AG	-	-	0.19	4.05	-	-	-	-	-	-
6 Fair-Med Healthcare GmbH	-	-	96.40	42.19	-	-	-	-	-	-
7 Stelis Biopharma Limited	-	-	-	-	5.60	0.00	-	-	-	-
8 Strides Consumer Private Limited	-	-	-	-	0.01	0.63	-	-	-	-
9 Strides Lifesciences Limited	0.57	0.22	-	-	-	-	-	-	-	-
10 Strides Netherlands B.V	13.01	2.89	-	-	-	-	-	-	-	-
11 Strides Pharma (UK) Limited, UK	89.43	29.25	-	-	-	-	-	-	-	-
12 Strides Pharma (Cyprus) Limited	-	(0.76)	-	-	-	-	-	-	-	-
13 Strides Pharma Global Pte Limited	126.83	22.02	-	-	-	-	-	-	-	-
14 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	122.92	98.13

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
15 Strides Pharma Inc.	26.02	129.37	-	-	-	-	-	-	-	-
16 Trinity Pharma (Pty) Ltd.	-	-	-	1.12	-	-	-	-	-	-
17 Vivimed Life Sciences Private Limited	-	(0.29)	-	-	-	-	-	-	-	-
18 Universal Corporation Limited	-	-	-	0.82	-	-	-	-	-	-
19 Strides South Africa Pty Ltd.	-	-	0.12	-	-	-	-	-	-	-
20 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	0.18	-
21 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	6.37	-
Reimbursement of expenses incurred on behalf of										
1 Arco Lab Private Limited	22.10	16.41	-	-	-	-	-	-	-	-
2 Fairmed Healthcare AG	-	-	0.80	1.49	-	-	-	-	-	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	10.84	0.01
4 Stelis Biopharma Limited	-	-	-	-	9.50	3.96	-	-	-	-
5 Strides Consumer Private Limited	-	-	-	-	0.51	13.68	-	-	-	-
6 Strides Pharma Canada Inc.,	0.25	0.44	-	-	-	-	-	-	-	-
7 Strides Pharma Global Pte Limited	205.72	188.14	-	-	-	-	-	-	-	-
8 Strides Pharma (Cyprus) Limited	8.90	6.81	-	-	-	-	-	-	-	-
9 Strides Pharma Asia Pte Limited	37.80	14.91	-	-	-	-	-	-	-	-
10 Strides Pharma Inc.	29.58	6.11	-	-	-	-	-	-	-	-
11 Strides Pharma (UK) Limited, UK	14.60	16.09	-	-	-	-	-	-	-	-
12 Steriscience Specialties Private Ltd.	-	-	-	-	-	-	-	-	20.75	0.00
13 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.02	-
14 Universal Corporation Limited	-	-	14.35	5.38	2.51	-	-	-	-	-
15 Vivimed Life Sciences Private Limited	23.29	19.54	-	-	-	-	-	-	-	-
16 Strides CIS Limited	33.28	-	-	-	-	-	-	-	-	-
17 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	2.34	-
18 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	4.26	-
Lease Payments										
1 Atma Projects	-	-	-	-	-	-	-	-	94.32	90.32
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	29.76	37.91
3 Shasun Enterprises LLP (formerly Devendra Estates LLP)	-	-	-	-	-	-	-	-	-	2.27
4 Strides Pharma Global Pte Limited	26.86	15.50	-	-	-	-	-	-	-	-
5 K.R. Anuradha	-	-	-	-	-	-	-	-	21.26	-

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₹ In Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Loans / advances given / repaid by Company										
1 Vivimed Life Sciences Private Limited	971.88	463.88	-	-	-	-	-	-	-	-
Loans / advances taken by Company / repaid to Company										
1 Vivimed Life Sciences Private Limited	1,015.46	70.00	-	-	-	-	-	-	-	-
Investments during the year										
1 Arco Lab Private Limited	1,070.06	51.13	-	-	-	-	-	-	-	-
Donation Paid										
1 Strides Foundation Trust	-	-	-	-	-	-	-	-	16.40	21.50
Short term employee benefits paid to (Refer note (i) below)										
1 Dr. R Ananthanarayanan	-	-	-	-	-	-	-	88.85	-	-
2 Mr. Badree Komandur	-	-	-	-	-	-	36.50	46.05	-	-
3 Ms. Manjula Ramamurthy	-	-	-	-	-	-	5.86	7.63	-	-
Employee stock option expenses										
1 Mr. Badree Komandur	-	-	-	-	-	-	-	0.24	-	-
2 Ms. Manjula Ramamurthy	-	-	-	-	-	-	-	0.05	-	-
Sitting fees paid										
1 Dr. Kausalya Santhanam	-	-	-	-	-	-	1.20	1.30	-	-
2 Mr. Arun Kumar	-	-	-	-	-	-	-	0.80	-	-
3 Mr. Deepak Vaidya	-	-	-	-	-	-	0.70	1.30	-	-
4 Mr. S. Sridhar	-	-	-	-	-	-	1.20	1.30	-	-
5 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	1.20	1.30	-	-
6 Mr. Bharat D Shah	-	-	-	-	-	-	1.20	1.20	-	-

Note

i. The compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

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Note No. 43 Lease arrangements

A. The Company as lessor:

Leasing arrangement

The Company has entered into operating lease arrangements for lease of factory land and building for a term ranging from 1 to 18 years with non-cancellable lease period of 4 to 8 years. Details relating to these assets and undiscounted future lease rentals receivable are as follows:

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Gross carrying amount of assets leased	134.99	134.05
Accumulated depreciation	(12.38)	(5.89)
Undiscounted future lease income:		
Not later than one year	2.78	16.04
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**2.78**	**16.04**

Note No. 44 Earnings per share

₹ In Million

Particulars	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Profit attributable to the equity holders of the Company	46.82	1,801.88
Weighted average number of equity shares used for computation of basic earnings per share	**9,00,80,778**	**8,97,47,525**
Add: Effect of potentially dilutive equity shares - Employee stock option	4,833	38,941
Weighted average number of equity shares used for computation of diluted earnings per share	**9,00,85,611**	**8,97,86,466**
Earnings per share		
Basic	0.52	20.08
Diluted	0.52	20.07

Note No. 45 Financial instruments

45.1 Categories of financial instruments

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	908.54	156.84
(b) Loans	1,246.25	1,289.11
(c) Security deposits	159.11	186.92
(d) Trade receivables	13,077.79	12,963.19
(e) Other financial assets	512.24	621.48
Measured at FVTOCI		
(a) Derivative asset	36.42	9.08

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₹ In Million

Particulars	31-Mar-23	31-Mar-22
Financial liabilities:		
Measured at FVTOCI		
(a) Derivative liability	55.48	3.84
Measured at FVTPL		
(a) Payables to employees under cash settled share based payment plan	30.00	33.00
Measured at amortised cost		
(a) Borrowings	13,492.04	12,446.32
(b) Lease liabilities	650.00	392.87
(c) Security deposit	7.20	6.58
(d) Trade payables	6,434.42	6,437.97
(e) Other financial liabilities	315.74	289.60

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ In Million

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-23	31-Mar-22		
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	36.42	9.08	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Financial liabilities:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	55.48	3.84	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Cash settled share based payments (FVTPL)	30.00	33.00	Level 1	The fair value of cash settled share based payments is determined using underlying value of the equity shares of the company.

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45.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

₹ In Million

Particulars	31-Mar-23		31-Mar-22	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	1,246.25	1,246.25	1,246.09	1,246.09
Security deposit	159.11	199.14	186.92	203.19
Financial liabilities				
Borrowings	13,492.04	13,555.35	12,446.32	12,464.95
Lease liabilities	650.00	650.00	392.87	392.87
Security deposit	7.20	7.20	6.58	7.20

45.3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivatives financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency (i.e Indian rupees)

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

45.3.1 Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover the forecast sales transactions

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The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average forward rate (in ₹)	Foreign currency (In Million)	Nominal amounts (₹ In Million)	Fair value assets/ (liabilities) (₹ In Million)
As at March 31, 2023					
Sell USD	Forecast sales				
Less than 3 months		80.58	30.00	2,421.83	2,371.01
3 to 6 months		82.79	25.00	2,067.92	2,064.50
6 to 12 months		-	-	-	-
Sell AUD	Forecast sales				
Less than 3 months		-	-	-	-
3 to 6 months		58.33	7.50	437.49	455.65
6 to 12 months		58.72	7.50	440.43	457.45
Total				**5,367.67**	**5,348.61**
As at March 31, 2022					
Sell AUD	Forecast sales				
Less than 3 months		57.64	6.00	345.84	348.86
3 to 6 months		57.13	6.00	342.78	338.94
6 to 12 months		59.23	12.00	704.40	710.46
Total				**1,393.02**	**1,398.26**

The line-items in the balance sheet that include the above hedging instruments are - Other current financial assets (Refer note 10(ii)) & Other current financial liabilities (Refer note 21(ii))

The details of unhedged foreign currency exposure as reported to key management personnel of the Company are as follows:

₹ In Million

Receivable/(payable) / cash and bank/ (borrowings) Exposure to the currency	As at 31-Mar-23		As at 31-Mar-22	
	in foreign currency	in ₹	in foreign currency	in ₹
AUD	34.95	1,919.59	50.27	2,853.78
USD	22.88	1,875.88	(13.79)	(1,052.00)
GBP	10.99	1,113.85	19.64	1,957.83
EUR	6.52	579.05	10.19	855.58
CAD	0.42	25.56	2.80	169.99
SGD	0.10	6.02	0.05	2.95
AED	0.01	0.12	-	0.10
CNY	-	0.01	-	0.06
LKR	0.02	-	0.02	-
NZD	(0.01)	(0.37)	-	-
SEK	(0.03)	(0.25)	-	-
ZAR	-	0.01	(0.08)	(0.43)
CHF	-	0.03	-	(0.05)

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45.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include loans in foreign currencies and receivables/payables from/to subsidiaries and joint ventures. The Company considers US Dollar, Australian Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Company is exposed to volatility in other currencies including the Great Britain Pounds (GBP), United states Dollar (USD), Euro (EUR), Canadian Dollar (CAD) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ In Million

Particulars	Increase / (decrease) in equity		Increase / (decrease) in profit	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Appreciation in the USD	59.25	(34.22)	61.02	(34.22)
Depreciation in the USD	(59.25)	34.22	(61.02)	34.22
Appreciation in the EUR	18.84	27.83	18.84	27.83
Depreciation in the EUR	(18.84)	(27.83)	(18.84)	(27.83)
Appreciation in the AUD	63.58	93.00	62.44	92.83
Depreciation in the AUD	(63.58)	(93.00)	(62.44)	(92.83)
Appreciation in the CAD	0.83	5.53	0.83	5.53
Depreciation in the CAD	(0.83)	(5.53)	(0.83)	(5.53)
Appreciation in the GBP	36.23	63.68	36.23	63.68
Depreciation in the GBP	(36.23)	(63.68)	(36.23)	(63.68)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

45.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Company to cash flow risk. Debt issued at fixed rate exposes the Company to fair value risk.

45.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks and secured long term loans from others. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 135.55 Million (March 31, 2022: 124.65 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

45.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

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The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit risk is controlled by analysing the credit limits and credit worthiness of customers on a continuous basis to whom credit has been given after obtaining necessary approvals.

The Company was not significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe.

Credit risk on cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates as given in the provision matrix. The Provision matrix at the end of reporting period as follows:

₹ In Million

Ageing of Receivable	Gross carrying amount as at 31-Mar-23	Allowance for credit loss as at 31-Mar-23
Not Due	6,863.71	17.66
Less than 180 Days	2,683.00	56.23
180-360 Days	641.09	45.71
360-540 Days	1,781.14	31.90
540-720 Days	1,285.26	37.90
Over 720 Days	100.01	87.02
Total	**13,354.21**	**276.42**

₹ In Million

Ageing of Receivable	Gross carrying amount as at 31-Mar-22	Allowance for credit loss as at 31-Mar-22
Not Due	5,741.66	36.86
Less than 180 Days	4,467.18	24.54
180-360 Days	2,614.59	20.92
360-540 Days	244.07	51.83
540-720 Days	30.06	3.23
Over 720 Days	46.55	43.54
Total	**13,144.11**	**180.92**

Movement in expected credit loss allowance

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Balance at the beginning of the year	180.92	248.42
Written off during the year	(1.29)	(105.85)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	96.79	38.35
Total	**276.42**	**180.92**

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45.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the company's surplus cash is retained as investments in liquid mutual funds or fixed deposits to fund short term requirements.

45.6.1 Liquidity analysis for non-derivative liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ In Million

Financial liabilities	Due within (years)						Total	Carrying amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2023	10,644.61	1,325.06	903.16	562.55	120.00	-	13,555.38	13,492.04
- As on March 31, 2022	11,199.37	479.38	478.96	307.24	-	-	12,464.95	12,446.32
Interest accrued but not due on borrowings								
- As on March 31, 2023	58.54	-	-	-	-	-	58.54	58.54
- As on March 31, 2022	10.04	-	-	-	-	-	10.04	10.04
Lease liabilities								
- As on March 31, 2023	159.59	170.21	179.70	168.56	39.82	167.23	885.11	650.00
- As on March 31, 2022	128.29	59.61	64.23	67.36	49.48	207.05	576.02	392.87
Trade and other payable not in borrowings								
- As on March 31, 2023	6,728.82	-	-	-	-	-	6,728.82	6,728.82
- As on March 31, 2022	6,750.53	-	-	-	-	7.20	6,757.73	6,757.11

45.6.2 Liquidity analysis for derivative financial instruments-

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. Outflows are represented in brackets in table below:

₹ In Million

Particulars	Total	less than 3 months	3 to 6 months	6 months to 1 year	1-5 years	5+ years
March 31, 2023						
Net settled:						
- foreign exchange forward contracts	(19.06)	(50.83)	14.75	17.02	-	-
Total	**(19.06)**	**(50.83)**	**14.75**	**17.02**	**-**	**-**
March 31, 2022						
Net settled:						
- foreign exchange forward contracts	5.24	3.02	(3.84)	6.06	-	-
Total	**5.24**	**3.02**	**(3.84)**	**6.06**	**-**	**-**

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Note No. 46 Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a quarterly basis to ensure that it is in compliance with the required covenants. As of the date of the issue of financial results, the management of the Company have not complied with certain financial covenants related to their respective borrowings and have obtained temporary relaxations for compliance with those financial covenants from the lenders . The Company has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio is as follows

The Company is not subject to any externally imposed capital requirements.

46.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ In Million

Particulars	31-Mar-23	31-Mar-22
Debt (i)	13,492.04	12,446.32
Less:		
Cash and cash equivalents and other bank balances	(908.54)	(156.84)
Adjusted net debt (A)	**12,583.50**	**12,289.48**
Total Equity (B)	**34,550.51**	**34,066.83**
Net debt to equity ratio (A/B)	**0.36**	**0.36**

(i) Debt is defined as Non current borrowings and current borrowings.

Notes
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Note No. 47 Additional Regulatory Information

47.1. Title deeds of Immovable Properties not held in the name of the Company

Particulars	Description of item of property	Gross carrying value (₹ In Million)	Title deeds held in the name of:	Whether title deed holder is a promoter, director of relative/director or employee of promoter/ director	Property held since when date	Reason for not being held in the name of the company
Property, plant and equipment	Building	3.55	Arun Kumar	Yes	May 9, 1995	The apartment is inside a housing cooperative society. The Company has made an application for transferring it to its name which is pending with the society.
Property, plant and equipment	Building	428.42	Shasun Pharmaceuticals Ltd.	No	November 19, 2015	These properties are in the name of the erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act 1956 in terms of the approval of the Honourable High Courts of judicature. The Company is in the process of transferring the title deeds of such properties in its name.
Property, plant and equipment	Freehold Land	0.81	Grandix Pharmaceuticals Limited	No	December 31, 2009	
Property, plant and equipment	Freehold Land	11.76	Shasun Chemicals and Drugs Ltd.	No	April 1, 2016	
Property, plant and equipment	Freehold Land	48.69	Shasun Pharmaceuticals Ltd.	No	November 19, 2015	
Investment property	Freehold Land	22.20	Shasun Chemicals and Drugs Ltd.	No	April 1, 2016	
Investment property	Building	183.83	Shasun Chemicals and Drugs Ltd.	No	April 1, 2016	

47.2. Operating Ratios

₹ In Million

Ratios	Numerator	Denominator	31-Mar-23	31-Mar-22	% of variance
Current ratio (in times)	Total current assets	Total current liabilities - Current Maturities of long term borrowings	1.24	1.10	13%
Debt-equity ratio (in times)	Debt = Non current borrowings + Current borrowings	Total equity = Shareholder's Equity	0.39	0.37	7%
Debt service coverage ratio (in times)[1]	Earning for Debt Service = Net Profit after taxes + Depreciation and amortisation + Finance cost	Debt service = Interest and lease payments + Principal repayments	1.22	2.88	-58%
Return on equity ratio (in %)[2]	Profit for the year	Average total equity	1%	5%	-89%
Inventory turnover ratio	Cost of Goods Sold	Average inventory	2.12	1.83	16%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	1.42	1.87	-24%
Trade payables turnover ratio (in times)	Purchases + Other expenses	Average trade payable	2.29	2.10	9%

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

₹ In Million

Ratios	Numerator	Denominator	31-Mar-23	31-Mar-22	% of variance
Net capital turnover ratio (in times)[3]	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities) (excluding current maturities of long term borrowing)	4.53	10.68	-58%
Net profit ratio (in %)[4]	Profit for the year	Total income	1%	9%	-88%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt - Deferred tax assets	2%	2%	-10%
Return on investment (in %)[5]	Realised and unrealised gain	Average investment during the year	0%	0%	-100%

1. Reduction in profits and increase in interest payments during the year leading to decrease in the ratio
2. Reduction in profits during the year leading to decrease in the ratio
3. Decrease in net capital turnover ratio is on account of increase in networking capital position without a corresponding decrease in turnover
4. Reduction in profits during the year leading to decrease in the ratio
5. In the current year, the Company did not invest in any mutual funds.

Note No. 48 Other Statutory Information

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(b) The Company does not have any transactions with struck off companies.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period (excluding the charge with respect to Debentures mentioned in note 20 (i), as the Company is awaiting no objection certificate from the other lenders.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(g) The Company has not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Notes
forming part of the standalone financial statements for the year ended March 31, 2023

(j) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(k) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(l) The Company have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

Note No. 49 Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law required existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence as required by law. The Management is of the opinion that its international as well as domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Note No. 50 During the year ended March 31, 2023, no material foreseeable loss (March 31, 2022: Nil) was incurred for any long-term contract including derivative contracts.

Note No. 51 The Board of Directors of the Company on February 10, 2022 have approved the Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013, between Strides Pharma Science Limited and Vivimed Lifesciences Private Limited with an appointed date of April 1, 2022. The Scheme of Amalgamation is yet to be filed with National Company Law Tribunal (NCLT) for approval. The Scheme was originally approved by the Board of Directors at their meeting held on October 29, 2020. However, the Company did not proceed with the Scheme at that time and the current Scheme supersedes the original Scheme.

Note No. 52 The Board of Directors have proposed a final dividend of ₹ 1.5 per share, which is subject to approval by the shareholders in the Annual General Meeting.

Note No. 53 The previous year's figures in the notes to accounts have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248W/ W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Sampad Guha Thakurta
Partner
Membership Number 060573

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515
Bengaluru, May 25, 2023

Bengaluru, May 25, 2023

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Strides

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CIN: L24230MH1990PLC057062

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