Strides

Strides Pharma Science Limited

Delivering with **Momentum**

Annual Report 2023-24

Contents

At Strides Pharma Science Limited (Strides), over the last few years, our focus remains firm on infusing greater efficiency and agility in our processes to achieve exceptional turnaround results. The pace with which we evolve and reshape symbolises our dedication to progress and excellence across the board.

Over the years, we have grown from strength to strength by delivering life-enhancing medicines that significantly improve the quality of life for millions globally.

Delivering with **Momentum**

Encompassing diverse therapeutic areas, our extensive portfolio demonstrates our world-class expertise in developing and manufacturing a wide array of niche and technically complex pharmaceutical products. We are pioneering new frontiers by creating OneSource, a specialty pharma contract development and manufacturing organisation (CDMO), thereby unlocking unprecedented opportunities.

As we advance our business footprint, we derive momentum from our strategic initiatives, yielding positive results. Our growth in revenue and operating profits, combined with significant improvements in free cash flow generation and debt reduction proves the mettle of our effective execution and forward-thinking approach.

Our growth is strategically tied to a steady focus on sustainability, which is central to our strategic approach. Our commitment to environmental, social, and governance (ESG) principles remains steadfast as we evolve as a more responsible and sustainable enterprise. By driving positive impact, we aspire to set new benchmarks in corporate responsibility and environmental stewardship.

As we chart our course forward, our global scale, consistent innovation, advanced technologies, and stringent quality and compliance standards position us for greater achievements. Alongside, we stay committed to enhance the value for our shareholders, while enriching lives through our journey of continuous improvement. With a determination to make a difference to the world, we are scaling new heights and delivering with momentum, blending excellence every step of the way.

Strides

Delivering momentum with an inspiring **legacy**

Strides thrives on extensive expertise across specific therapeutic areas and geographies to advance health and well-being. Drawing inspiration from our legacy, we are firm in our commitment to fortify our market position and drive sustained growth. All through our journey, we have consistently capitalised on our strengths across pivotal market segments.

Our focus encompasses regulated markets in the United States, Europe, Australia and Canada; growth markets, primarily centred on Africa; and the expansion into new territories, reaching the shores of Asia-Pacific, the Middle East and North Africa, Commonwealth of Independent States, and Latin America.

Our agility in seizing and adapting to emerging opportunities has unveiled new frontiers for growth. Additionally, we facilitate market access for donor-funded institutional business, further accelerating our upward momentum.

Report card, FY 2023-24

During the year under review, we reported our best-ever full-year performance in terms of revenue and absolute EBITDA. The sustained expansion of our revenue and EBITDA is further proof of our sound financial performance, setting us on course for even greater success. Our performance across various operating regions showed encouraging upward trends, significantly strengthening our future prospects in these territories.

Brighter future, with **robust performance**

Financial progress

₹40,555 Mn
Highest-ever full-year Revenue
14.4% y-o-y growth

₹7,477 Mn
Highest-ever full-year EBITDA
77.6% y-o-y growth

18.4%
EBITDA margin
656 bps y-o-y growth

2.72x
Net Debt to EBITDA

₹3,131 Mn
Net Debt reduced

Environmental stewardship

44.5%
Of the total power consumption in all sites are from clean energy sources (in-house and imported)

Social commitments

9,300+
Beneficiaries of CSR programmes

₹34.78 Mn
CSR expenditure

People excellence

97,000+
Learning hours delivered

24%
Women in top management

25+
Engagement initiatives

Governance mechanism

57%
Independent Directors on the Board

99%
Board meeting attendance

99%
Committee meeting attendance

Strides

About us

Building momentum on a **foundation of strength**

We continue on a path of evolution, drawing strength from over three decades of experience to propel our Company to the forefront of the global pharmaceutical industry. Specialising in manufacturing generic formulations across diverse dosage forms, we serve a vast clientele in regulated and emerging markets.

Our dedication to uphold stringent adherence to regulatory standards ensures unparalleled excellence in quality across our markets. Our agility, adaptability, integrity, and focus on affordability make us stand out, as we set forth in our mission to create greater value for our stakeholders.

At the core of our progress lies a dedication to deliver difficult-to-manufacture complex generic formulations to meet the unique needs of patients worldwide. With a robust presence in both regulated and emerging markets, our products transcend borders, reaching over 100 countries.

Our product range includes tablets, soft gelatin capsules, hard capsules, sachets, liquids, nasal spray, topicals, and controlled substances. Our dedicated team relentlessly strives to uphold our mission of ensuring high compliance standards and quality excellence. Over the years, our sustained investments in continuous research and development laid a solid foundation for the future.

Our commitment to quality and safety, paired with continuous portfolio expansion through organic and inorganic strategies, along with advanced IT-driven quality interventions, has secured us a prominent position in the global pharmaceutical market.

We believe that our people form the core of all our endeavours.

With their curiosity, creativity, agility, and intuition, they enable us to navigate change with foresight and resilience. Our empowered workforce brings strong technical expertise and scientific capabilities to uphold our dominance in terms of compliance and quality.

Our Vision

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

Our Mission

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

Our Values

Efficiency
We are agile and collaborative to deliver quicker and better results.

Competency
We develop and effectively apply our knowledge, abilities and skills to successfully and consistently deliver desired outcomes.

Integrity
We adhere to ethical practices and maintain transparency in our conduct, fostering a culture of trust & integrity in the organisation.

Strides

About us

Our Markets

The US	Other Regulated Markets	Growth and Access Markets

Our Capabilities

Dry powder/sachet for solution	Direct compressible granules	Time release technology tablets and capsules pellets in capsules	Suspension & liquid orals
Dispersible tablets	Ointments and creams	Hormones	Nasal sprays
Soft gelatin capsules/suppositories	Controlled substances	Conventional tablets (uncoated, film and sugar-coated)	Powders in capsules
	Effervescent granules/tablets	Topicals and gels	

Milestones

1990
Strides incorporated

1996
Started own manufacturing

1996-2007
Commenced First Sterile Facility, GSK being the first CMO partner

Created Oral Solid Dosage Capabilities

Enhanced Regulated Market focus

2008-2015
Built scale and capabilities in Australasia

Established one of the most competitive sterile franchises globally, with 8 manufacturing facilities

Divested Australasia business to Watson with AUD 375 Million value

Record of filing 40+ annual filings, 80+ approvals and US$300 Million licensing deals with global innovators

2008-2015 (contd.)
Injectables business sold to Mylan for an EV of US$1.6 Bn, Distributed US$655 Million to partners, employees and stakeholders

Strong partnerships and expansion in the US, Other Regulated Markets

2015
- Raised ~₹12 Billion via QIP
- Shasun Pharmaceuticals merged with Strides

2019
Sold Australia business for AUD 394 Million

2021
Acquired manufacturing facility at Chestnut Ridge, New York

2023
Announced creation of OneSource - India’s first Specialty Pharma Pure Play CDMO

Strides

Business model

Leveraging fundamentals for **value creation**

Our inputs

Financial

We focus on creating and augmenting economic value by delivering sustainable operating performance through efficient allocation of capital.

₹ 20,717 Mn
Equity

₹ 20,350 Mn
Net debt

As on March 31, 2024

Manufacturing scale

We possess world-class manufacturing assets across various locations, including India (Bengaluru - two facilities, Puducherry, and Chennai), the United States, Italy, and Kenya.

7
Manufacturing plants across 4 continents

4
US FDA-approved facilities

Research and development capabilities

We boast a robust proficiency in Research and Development (R&D), forming the stepping stone of our success. Leveraging best-in-class R&D capabilities in formulations, we successfully cultivated an extensive global portfolio, fortified by deep regulatory insight.

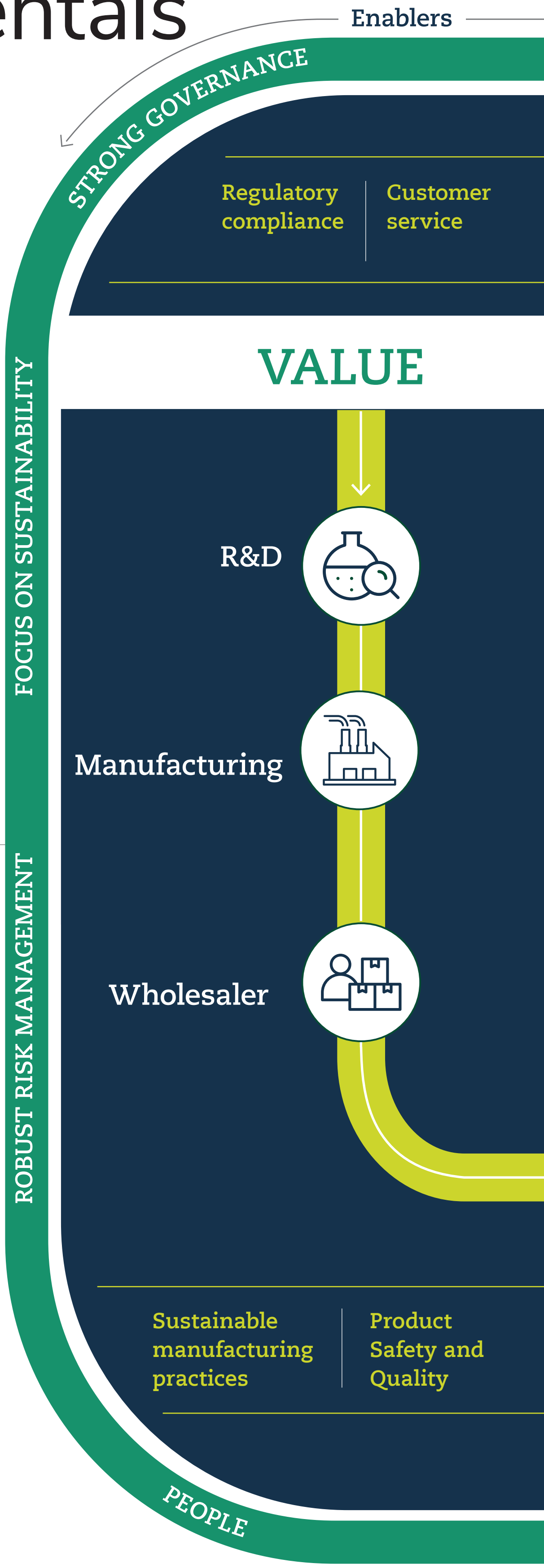
225+
R&D team size

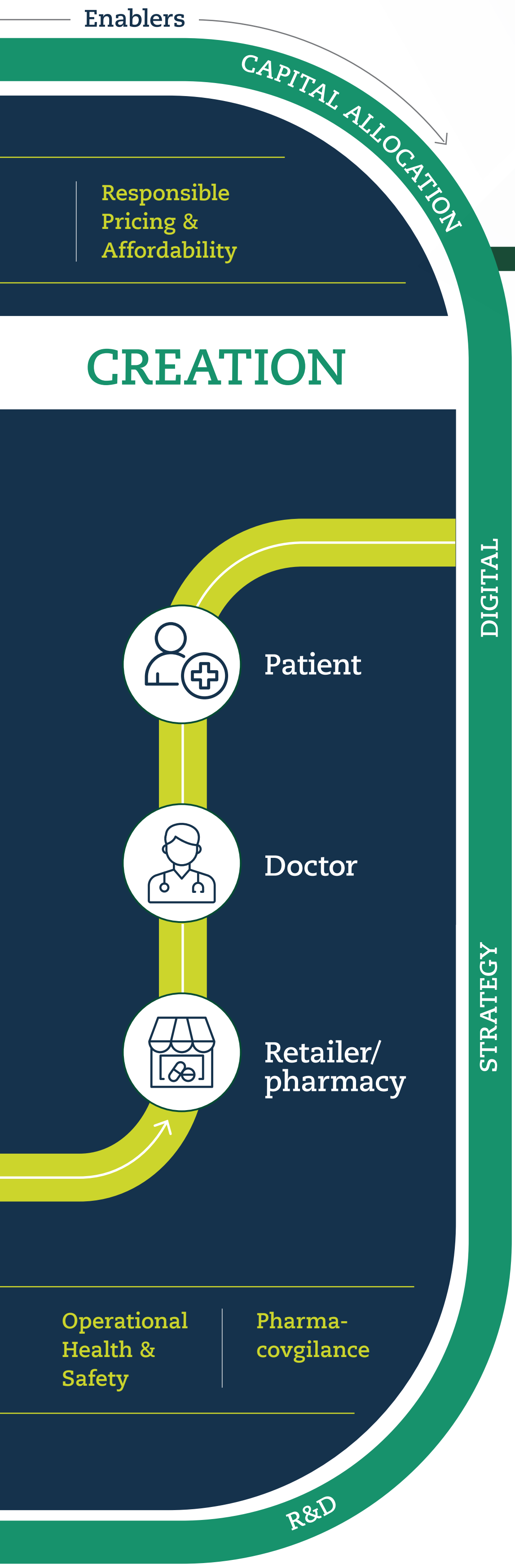
260+
Cumulative ANDAs filings

Global workforce

We harness a vast talent pool, acknowledging them as one of our most valuable assets. The robust technical expertise and scientific capabilities of our empowered workforce enable us to set highest standards in compliance and quality.

3,050+
Global team size





Creating value for our stakeholders

Shareholders and Investors

We stay dedicated to deliver profitable and sustainable returns. In FY 2023-24, we proposed dividend of ₹2.5 per share.

Patients and End-users

We contribute to boost global public health through our ongoing focus on R&D, complemented by our prowess in manufacturing and distribution of pharmaceutical products.

Employees

We remain committed to fostering equal opportunities by providing comprehensive capability building, training, and ensuring a safe work environment for all our employees. We foster a culture of continuous learning and development with 97,000+ hours of training imparted during FY 2023-24.

Suppliers

We prioritise mutual growth, innovation, and sustainability by fostering collaborative partnerships. Through fair practices and transparent communication, we ensure suppliers share in our success, driving efficiency, quality, and ultimately delivering enhanced value to our end-users.

Communities

We strive to improve quality of life of those in need through our CSR initiatives. Through Arogyadhama, we offer healthcare access to the underserved, promote education and employability to uplift underprivileged individuals, fostering positive change in the communities we operate in.

Environment

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

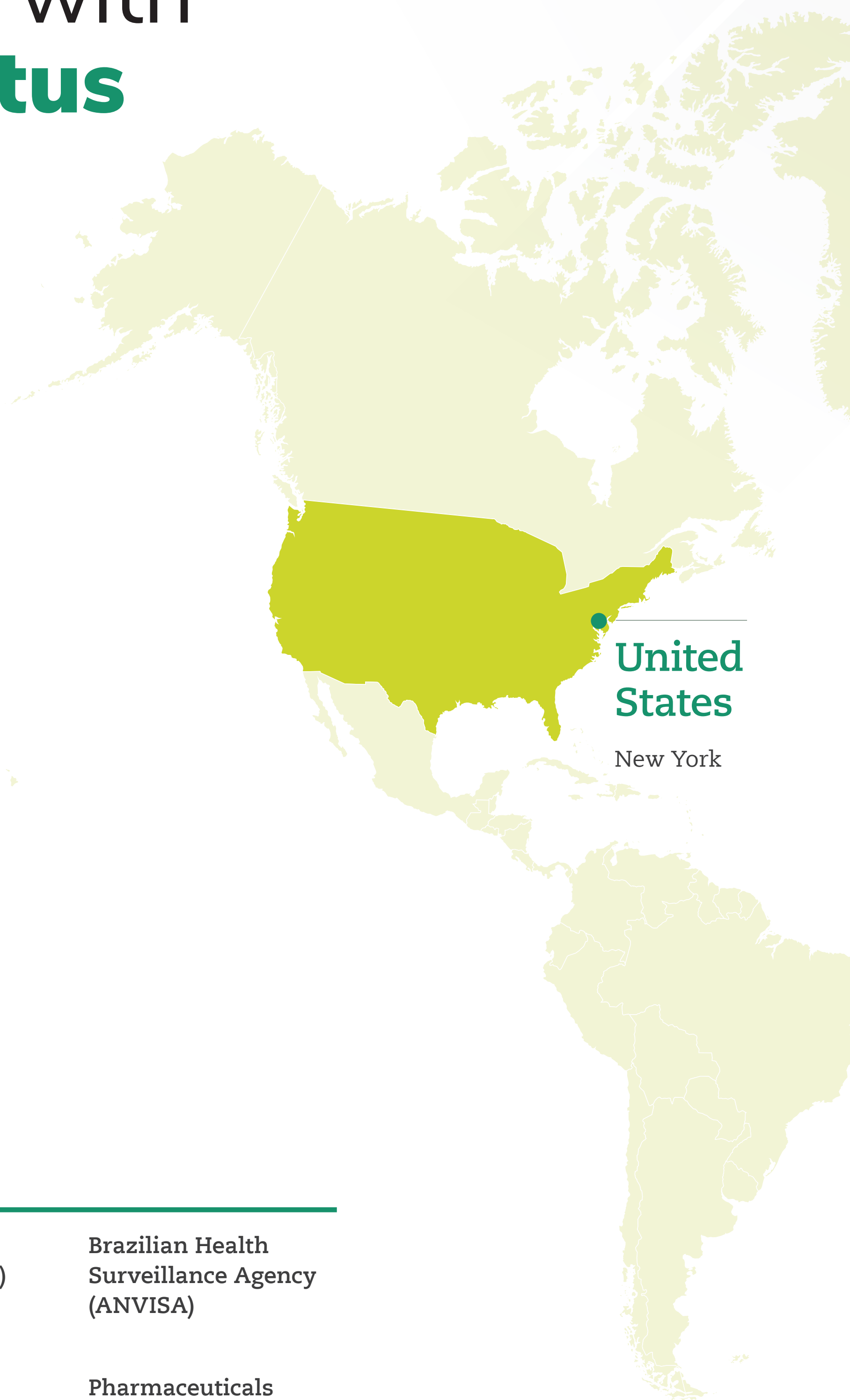
Strides

Presence

Rising above with **global impetus**

We harness our global manufacturing network, strategically spread across key hubs including, India (Chennai, Puducherry, and two sites in Bengaluru), Italy (Milan), Kenya (Nairobi), and the United States (New York).

To propel our operations forward, we leverage our expansive footprint, that empowers us to efficiently distribute products to over 100 countries. At present, our strategic focus is set on reinforcing our position in established markets. We do this through the introduction of new products sourced from our approved portfolio. Simultaneously, we venture into new regions within both regulated and emerging markets, broadening our horizons and seizing fresh opportunities for growth.



Key approvals

- US Food and Drug Administration (US FDA)
- World Health Organisation (WHO)
- Brazilian Health Surveillance Agency (ANVISA)
- UK Medicines and Healthcare Products Regulatory Agency (MHRA)
- Therapeutic Goods Administration, Australia (TGA)
- Pharmaceuticals and Medical Devices Agency, Japan (PMDA)

Diversified portfolio across the globe

We maintain a robust and varied business portfolio that encompasses the production of generics for use across multiple markets. Our commitment to quality and innovation sets us apart in an intensely competitive industry, as we ensure both patients and end-users have access to top-tier products. Our diversified market mix acts as a safeguard against geographic concentration risk, better equipping us to combat potential regional volatilities.

Key performance indicators (Consolidated)

Upholding financial discipline to **empower progress**

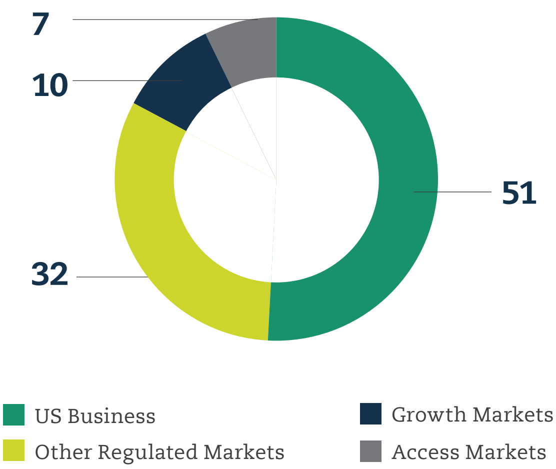
We rigorously adhere to financial discipline, embodying a firm commitment to prudent management and visionary foresight. These fundamental pillars augmented our revenue and EBITDA, bolstered by the resilience of our robust cash flow generation.

Within this solid financial framework, we are empowered to take decisive actions, thereby boosting our confidence and paving the way for uncompromising growth.

Our prudent approach to capital structure positions us favourably for pursuing our growth aspirations. Our ongoing commitment to reducing debt, coupled with the generation of free cash flow, furnishes us with the financial stability necessary for further expanding our business portfolio.

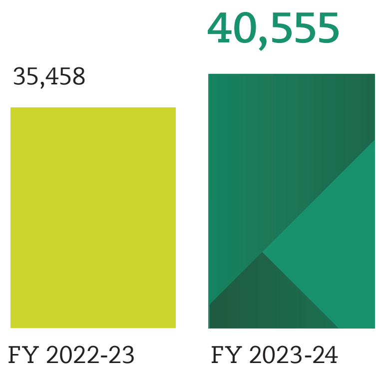
Market-wise revenue split in FY 2023-24

(%)



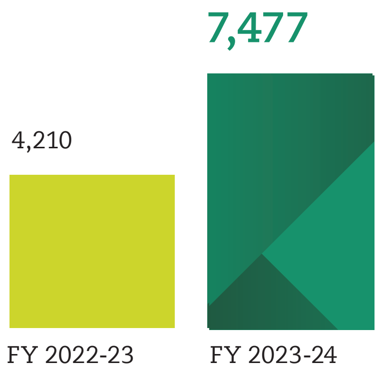
Revenue

(₹ in Millions)



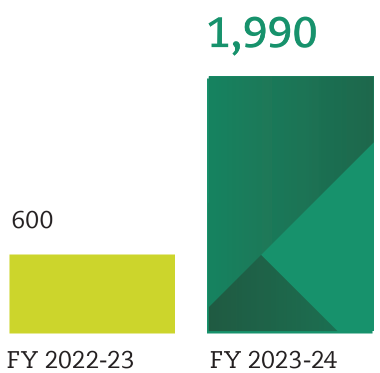
EBITDA

(₹ in Millions)

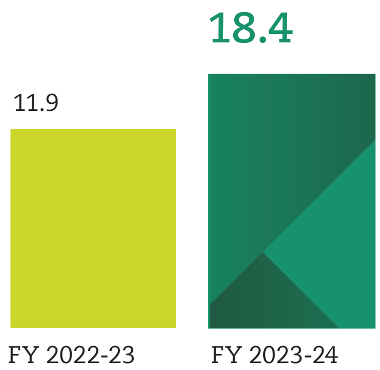


Adjusted PAT*

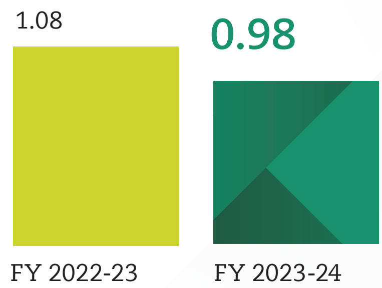
(₹ in Millions)



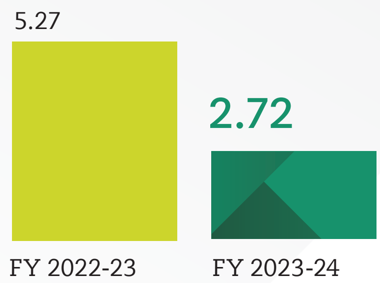
EBIDTA Margins
(%)



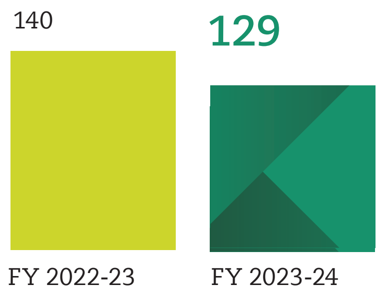
Net Debt to Equity
(x)



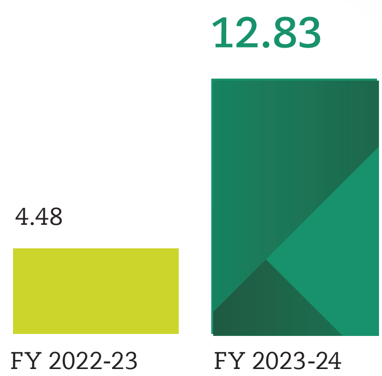
Net Debt to EBITDA
(x)



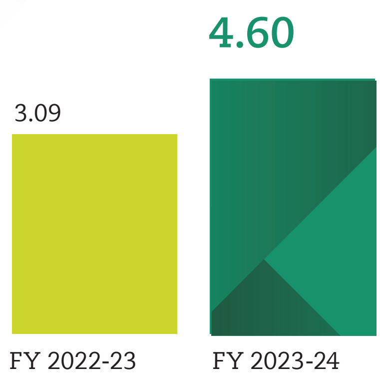
Cash to Cash Cycle
(day)



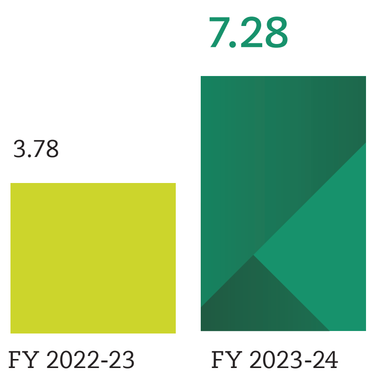
RoCE
(%)



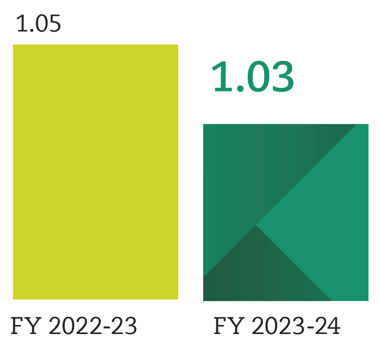
Fixed Asset Turnover Ratio (x)



EPS#
(₹)



Current Ratio
(x)



*Adjusted PAT = PAT from continuing operations without JV share and exceptional items (net-off taxes)

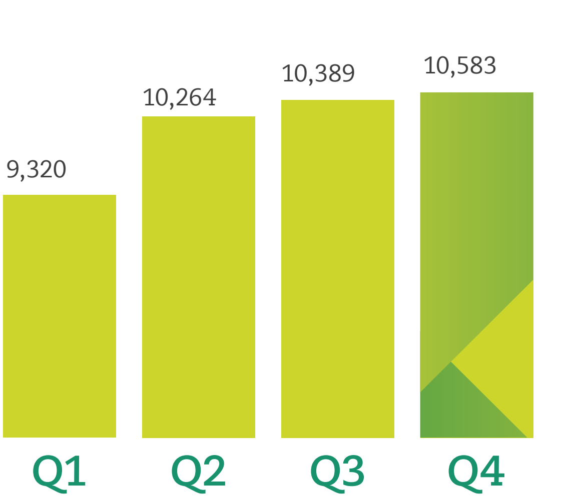
#EPS on Adjusted PAT

Strides

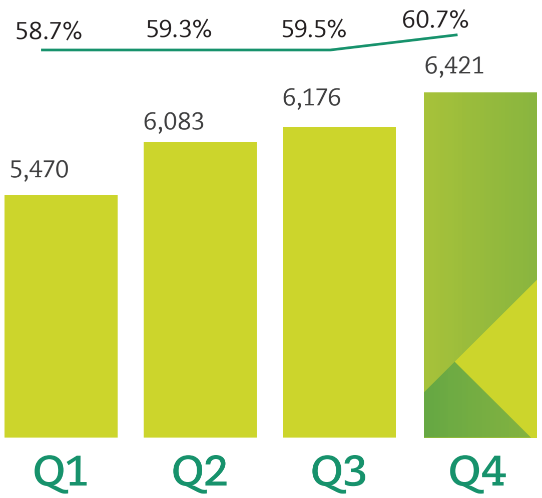
Quarterly progress, FY 2023-24

Making consistent and **linear progress**

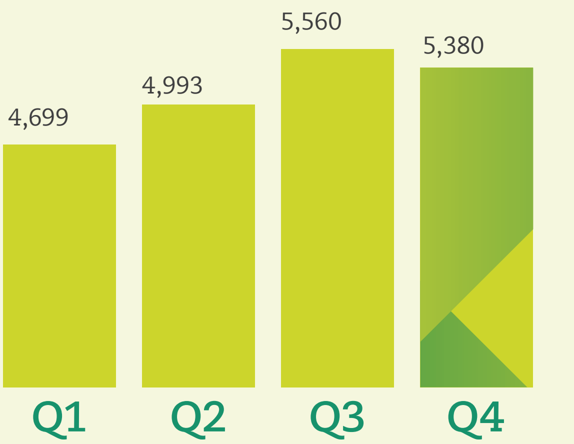
Total Revenue
(₹ in Millions)



Gross Profit and Gross Margin
(₹ in Millions)



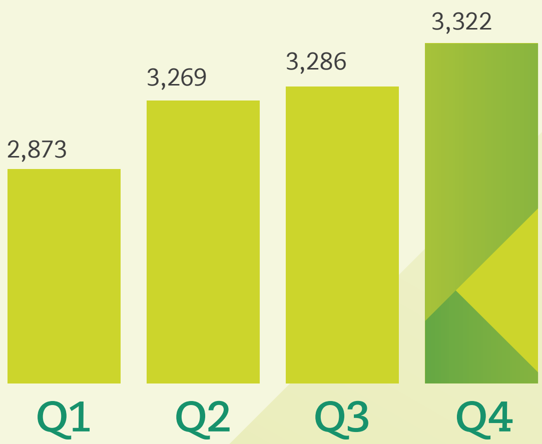
Revenue from the US
(₹ in Millions)



₹20,632 Mn

Revenue from the US in FY 2023-24

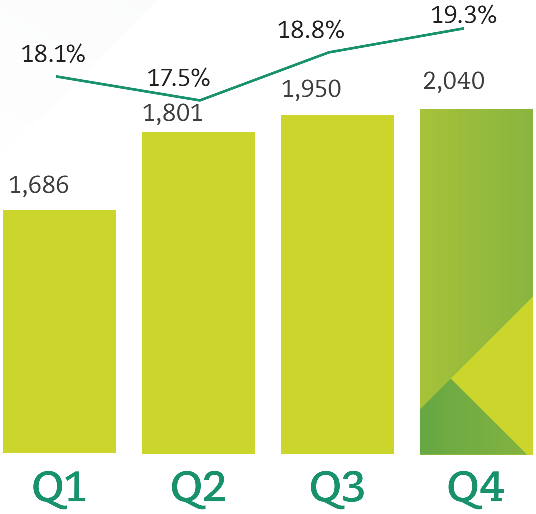
Revenue from Other Regulated Markets
(₹ in Millions)



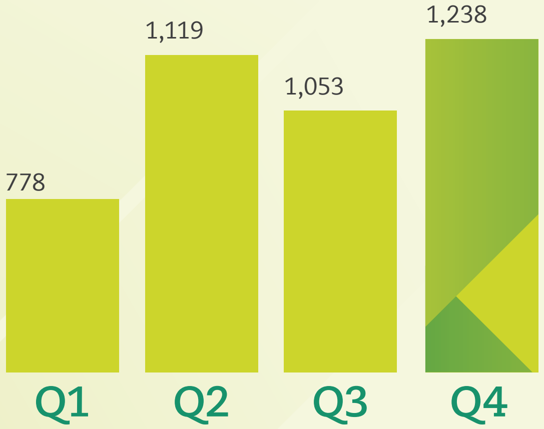
₹12,750 Mn

Revenue from other regulated markets in FY 2023-24

EBITDA and EBITDA Margin
(₹ in Millions)



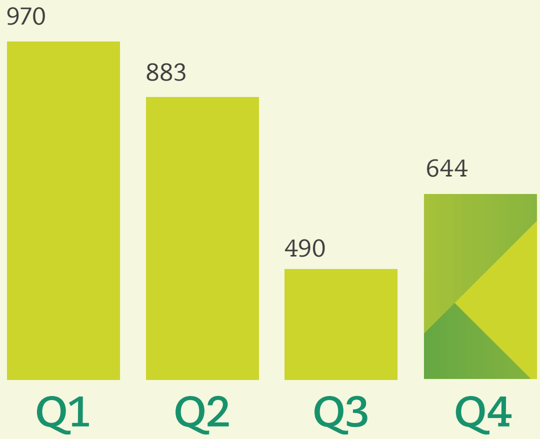
Revenue from the Growth Markets
(₹ in Millions)



₹4,186 Mn

Revenue from growth markets in FY 2023-24

Revenue from Access Markets
(₹ in Millions)



₹2,987 Mn

Revenue from access markets in FY 2023-24

Strides

Chairperson's statement

Powering growth with strong **momentum**

Arun
Chairperson

Dear Friends,

I am delighted to share with you the remarkable performance of Strides Pharma Science Limited for FY 2023-24.

During the last couple of years, our teams have been relentlessly working on building the strategic and operational initiatives that we have set forth to recalibrate Strides on the path of growth and profitability.

Our Path to Resilience: Paving the Way for a Stronger Tomorrow

The fiscal year just concluded signifies the successful completion of our reset strategy, initiated in FY 2021-22. We achieved all the key objectives outlined in the strategy, enabling us to rebound as a strong and resilient company. A particularly striking aspect of this transformation is the pace of our execution, reflecting our agility. These accomplishments empower us and position us strongly on the course of future growth worldwide.

Performing with focus

FY 2023-24 saw us perform with steady grit across all fronts resulting in highest-ever full-year revenue and absolute EBITDA generation. Our outstanding performance was driven by the synergistic power of our well-defined strategies, robust execution capabilities, and the dedication of our team. We successfully completed the optimisation of our manufacturing infrastructure through network right-sizing.

In FY 2023-24, our revenue soared to a record high of ₹40,555 Million registering a year-on-year (YOY) growth of 14.4% from ₹35,458 Million. Our strategic expansions in the United States and Other Regulated Markets propelled this impressive surge. We also strategically improved the quality of our business owing to a superior portfolio mix.

Our EBITDA increased by 77.6% to ₹7,477 Million as compared to ₹4,210 Million in FY 2022-23. Our EBITDA margin expanded to 18.4% in FY 2023-24 compared to 11.9% in FY 2022-23, driven by our stable operating costs, accentuated by robust cost control measures and manufacturing efficiencies. We reduced our Net Debt by ₹3,131 Million during the year under review, resulting in a net debt to EBITDA ratio of 2.72x.

One of our most significant achievements this year was achieving one of the industry's leading cash to cash cycle times, which strongly affirms our commitment to operational efficiency. Notably, our Return on Capital Employed (ROCE) witnessed robust growth, increasing to 12.83% in FY 2023-24 from 4.48% in FY 2022-23. Additionally, our Fixed Asset turnover ratio stood at ~4.60x, representing one of the industry's top performances. Looking ahead, we are firm in our objective to maximise the efficiency of our assets through strategic

Last couple of years, our teams have been relentlessly working on building the strategic and operational initiatives that we have set forth to recalibrate Strides on the path of growth and profitability.

₹40,555 Mn

Highest-ever full-year Revenue

₹7,477 Mn

Highest-ever full-year EBITDA

product selection, technological advancements, and automation initiatives, aimed at optimising our operational expenditure.

Improvement across regions

In the United States, we maintained our foothold across our product spectrum, fostering steady year-over-year growth. Our disciplined and calibrated approach to portfolio launches further enhanced profitability. During the year, we secured ANDA approvals for 9 new products, successfully launching 6, enabling the tally of our commercialised products to reach 66. Our focus remains on optimum product selection, precise pricing strategies, and strategic timing for market entry, even as we receive numerous product approvals, to garner the best possible outcome. Additionally, we prioritised the launch of products with larger value and size into our portfolio. For instance, introduction of the generic Suprep effectively offset the impact of subdued flu season. Our industry-leading supply chain management has solidified our reputation, resulting in near-zero Failure-To-Supply penalties. This commendable precision reflects our dedication to maintaining high standards of service within the generic pharmaceutical industry.

Going forward, we firmly believe that the United States (US) market will continue to occupy a pivotal strategic position in our business trajectory as we aim to achieve an annual revenue milestone of US$400 Million within the next 2 to 3 years of time frame. Our primary focus remains on expediting the launch of products from our approved basket of ANDAs. Moreover, we persist to strategically invest in new segments as part of our comprehensive long-term growth strategy, aiming to surpass the US$400 Million mark. We anticipate our first filing from this new segment in the next 12-15 months. Our active engagement in various activities, including in-licensing, partnering, and developing in-house capabilities further boost our capability to enrich our portfolio.

In Other Regulated Markets, consistent performance across quarters remained our hallmark, reflecting our commitment to ingrain stability before pursuing growth opportunities. Particularly within the European Union (EU) market, we experienced significant growth, primarily driven by robust demand for key products and the establishment of new long-term supply contracts. Our sustained focus on customer advocacy and reliable supply has enabled us to expand our customer base and strengthen our market presence.

Looking ahead, we seek to prioritise the expansion of our product portfolio to attract new customers. Simultaneously, we aim to capitalise on existing opportunities to further expand our reach in Other Regulated

Chairperson's statement

Markets. Sustaining momentum in filings and approvals is crucial for accelerating growth processes and solidifying our competitive standing. Additionally, we emphasise on securing new product approvals in key markets to catalyse growth in the latter part of FY 2024-25.

In Emerging Markets, we achieved satisfactory growth, building from a modest starting point, and anticipate robust growth in the coming years. Our strategic emphasis on portfolio maximisation and expanding our network of channel partners is poised to propel this momentum forward. Furthermore, upcoming new filings are expected to bolster Growth Markets, enabling them to surpass our Company's average growth rate.

Meanwhile, our Access Market segment (donor-led institutional business) encountered challenges stemming from limited tender allocations. However, a notable improvement in Delivery In Full On Time (DIFOT) has secured a more substantial allocation for FY 2024-25, enhancing our prospects for future growth.

Unveiling OneSource

During FY 2023-24, we reached a significant milestone with the announcement of OneSource (erstwhile Stelis BioPharma Ltd.), one of India's leading specialty pharma pure play Contract Development and Manufacturing Organisations (CDMOs).

OneSource is well-placed to offer an extensive array of pharmaceutical solutions, including biologics, high-end drug-devices combinations (previously part of Stelis), oral technologies like soft gelatin capsules (demerged from Strides Pharma), and sterile injectables (demerged from SteriScience).

During FY 2023-24, we reached a significant milestone with the announcement of OneSource, one of India's leading specialty pharma pure play Contract Development and Manufacturing Organisations (CDMOs).

During the year, OneSource achieved significant milestones, with its revenue soaring to US$21.5 Million, marking an impressive 4.4x growth over FY 2022-23. It attained positive EBITDA for the first time in Q4, adjusted to one-time expenses. Master Service Agreements (MSAs) surged from US$31.1 Million to US$72.9 Million, showcasing robust business expansion.

With 40 unique logos, including 15 for GLP-1 products, OneSource is well-positioned to make steady progress in specialty CDMO space. OneSource is expected to be listed on Indian bourses by the end of FY 2024-25.

ESG commitments

We are happy to share our EcoVadis rating, which climbed from 30 to 44 in our first year of review, a testament to our commitment. Our focus on environmental sustainability is unwavering, underscored by top-tier systems and practices aimed at minimising our carbon footprint. For instance, we have made significant investments in rooftop solar panels and other sustainable technologies.

Our talented team has been the cornerstone of our success, demonstrating a commitment that transcends the typical employee-employer relationship. We are pleased to share our steady progress in critical areas such as enhancing employee experience, empowering culture, and enabling business decisions through people analytics.

Our strong ethics and robust corporate governance framework are integral in shaping our business policies and strategies. Assimilated within our organisational culture, these principles play a pivotal role in the effective execution of our business objectives. Our commitment to robust governance practices positions us as a trustworthy partner, ensuring long-term growth and stability.

Board and management changes

I extend my heartfelt gratitude to Mr. Bharat Shah and Mr. Sridhar, whose invaluable contributions as Independent Directors have significantly shaped our Company's journey as we bid them farewell.

Mr. Subir Chakraborty joins our Board as an Independent Director and we look forward to enhancing our governance and bolster our future, benefitting from his wealth of experience.

Elevating internal talent

As we shape the future of Strides for the next decade, we are focussing on succession planning and nurturing internal talent. I am pleased to announce key leadership changes. Mr. Badree Komandur, our long-standing CFO and Executive Director, will step into the role of Managing Director and Group CEO. Mr. Vikesh Kumar, who began his career at Strides and has demonstrated consistency, brilliance, and strong executional acumen, will assume the role of Group CFO. Mr. Aditya Kumar, who headed our B2B division under synergICE, joins the Board as an Executive Director. His responsibilities will expand to larger parts of the organisation while continuing to lead synergICE B2B operations. Surabhi Loshali, currently Senior Vice President of HR, will now assume the role of Chief Human Resources Officer (CHRO).

I will continue as the Executive Chairperson of our Company, focussing on both near-term and long-term strategies, as well as talent development and succession planning. My focus is to ensure we build a strong and resilient future for Strides.

Road ahead

We are committed to continuous investment in cutting-edge technologies, robust R&D, stringent compliance, and a diverse portfolio. Our strategically calibrated approach to pricing, market share acquisition, and product launch timing will remain steadfast. We anticipate the US market will continue to play a pivotal role in our business strategy, bolstered by our disciplined and unique go-to-market approaches across our other markets.

I would like to extend heartfelt gratitude to those whose contributions serve as our constant inspiration. My sincere appreciation goes to our shareholders, Board of Directors, the entire leadership team, stakeholders, and every member of team Strides for their unwavering confidence in our ability to create lasting value, driving our collective pursuit of excellence.

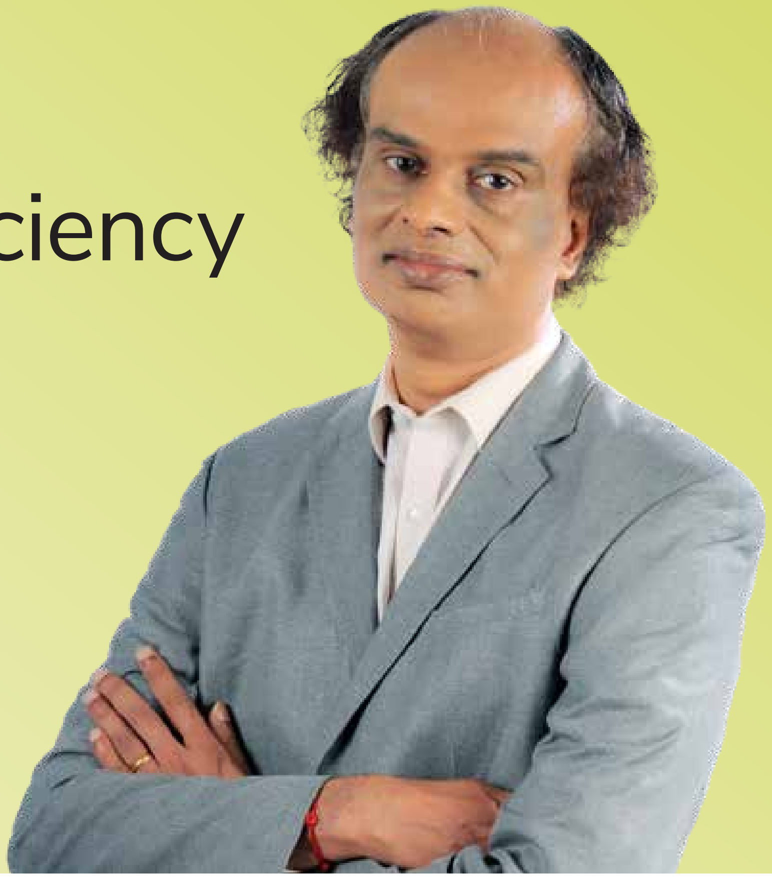
Warm regards,

Arun

Strides

CFO's review

Profitability, efficiency and growth: **The pillars of our success in FY 2023-24**



Badree
Chief Financial Officer

Dear Friends,

The hallmark of FY 2023-24 was delivering with momentum across all aspects of business. Our Company delivered one of its best years in terms of financial and operating performance. The momentum which is seen in the financial metrics enables us to believe that better days are ahead. We have laid a solid foundation for the entire governance structure to enable the rigour that is needed to run a generics company. Profitability, Efficiency and Growth (PEG) has been the pillar on which the entire governance is built backed by all enablers like HR, IT, and global networks. Every function and business unit worked hard to turnaround our Company in the last two years.

Profitability

Our Company achieved its best EBITDA performance with margins at 18.4% from almost zero two years ago. The gross margins improved by 240 basis points and EBITDA improved by 660 basis points signifying a strong operating leverage. There were number of operational measures initiated to keep the cost at an absolute level without compromising on the overall employee motivation and productivity. The entire workforce rallied behind our Company to enable the operating leverage.

Efficiency

The efficiency metrics like Debt/EBITDA, Cash flow from Operations, Cash to Cash cycle and Return on Capital Employed significantly improved in FY 2023-24. Our Company's governance focussed on quality and sustainability of the business in tandem with the financial numbers. The Cashflow from Operations (CFO) has been one of the best we have seen in many years. Divestment of Singapore facility will add significantly to the future EPS generation. Our Company's reputation as a reliable supplier was demonstrated with the lowest Failure to Supply penalties in the recent times. The balance sheet is strong with the completion of all the corporate actions and with the reduction of corporate guarantees to OneSource.

Growth

While the top line growth has been in line with the estimates, the EBITDA growth has been significant. Our Company achieved a significant size of US$250 Million in revenue driven by timely impactful launches. In addition to the above, we have laid platform for the new geographies which will drive the growth.

We are approaching FY 2024-25 with confidence. We will continue to have bulls' eyes focus on the operational front. The growth and profitability targets are steep but achievable with the momentum we are seeing at this point of time. All the above translated into market cap touching a US$1 Billion mark in May 2024.

ESG Focus

We are currently in the process of finalising the key priorities for FY 2024-25 which will enable our

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18.4%
EBITDA margin from almost zero two years ago

US$250 Mn
Revenue driven by timely impactful launches

Company to scale even greater heights. ESG is at the forefront of this focus. Upholding ethical and transparent governance practices, embracing our responsibility towards the environment and prioritising the well-being of our people and communities has been at the core of our business model for decades. We are now dedicatedly working towards streamlining our efforts to ensure maximum positive impact and meaningful value creation for all stakeholders. In the interest of full disclosure and transparency regarding our social and environmental impacts, we have started disclosing our non-financial performance in the public domain through SEBI mandated Business Responsibility and Sustainability Reporting. We have garnered positive feedback from our customers and other stakeholders, and this has encouraged us to further expand and consolidate the boundaries of our ESG reporting and disclosures. During FY 2023-24, we carried out a materiality exercise to guide strategic decision-making and prioritise ESG topics, using a 'double materiality' approach. This involved assessing how sustainability/ESG issues impact our Company and how our operations impact the planet and society. We engaged with all our key stakeholders to understand key sustainability areas that are critical to our business.

I'm also happy to share that we are now signatories to the United Nations Global Compact, underlining our commitment to a sustainable future through active collaboration and participation in initiatives that foster sustainable development for all. This year, we will be releasing our first standalone sustainability report to showcase and discuss in detail our ESG endeavours. Together, with these efforts, we are unlocking new levels in our commitment towards transparent ESG disclosures. We're confident that our efforts will translate into superior ESG ratings and stakeholder outlook in FY 2024-25. Transparent disclosures on material ESG issues will also improve the credit profile and credit rating of our Company, which will boost our competitiveness in the business. To ensure focus on sustainability, ESG success metrics are well-integrated in the performance incentives of our senior management. These metrics also play a vital role in evaluating functional heads, ensuring buy-in across different levels for meaningful growth.

I thank all the stakeholders for reposing confidence in our Company and being part of the extraordinary turnaround of our Company in the last two years. As I step up to my new role as the Managing Director, which I consider as the highest honour, I continue to rely on the guidance and superior counsel of my team, Chairperson, Board, and all stakeholders, including lenders, regulatory agencies, and above all, the shareholders of Strides.

Warm regards,

Badree

Strides

Delivering on **our commitments**

Embracing an agile mindset, we seamlessly manoeuvre our strategy to harmonise with the ever-evolving business landscape. In doing so, we diligently cultivate value across the spectrum. Driven by our formidable scale, a distinctive portfolio, an innovation edge, advanced technologies, and a robust commitment to quality and compliance, we are steady in our dedication to deliver sustainable progress.

Scale and portfolio

Read more on PAGE 26

Research and development

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Advanced technologies

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Quality and compliance

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OneSource

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Arcolab story

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Scale and portfolio

Ensuring tangible outcomes through **manufacturing capabilities**

We draw strength from our burgeoning portfolio to consistently expand across diverse markets, broadening our reach and enhancing our ability to serve a wider customer base. Our stature as a global formulations company is increasingly bolstered by our competitive advantage. By implementing strategic capacity expansion, technology adoption, resource optimisation, and cost-effective operations, we stay on course to deliver tangible outcomes across our manufacturing operations.

Our KRSG facility

We are developing internal competencies to embrace disruptive technologies and sharpen our competitive edge. Our recent realignment of values, emphasising integrity, competency, and efficiency (ICE values), reaffirms our dedication to cultivating a culture of continuous improvement and teamwork. We focus on implementing comprehensive cost optimisation initiatives and operational excellence programmes to achieve industry benchmarks. These efforts encompass a range of strategies aimed at optimising efficiency and expenses, resulting in enhanced overall performance across our operations. Through diligent analysis, strategic planning, and continuous refinement, we consistently seek opportunities to streamline processes, minimise waste, and maximise value generation throughout our operations.

Accelerated product launches

Several new product launch achievements marked our progress in FY 2023-24. These launches were significant for their speed, positioning us as one of the fastest generic companies to secure approval and bring products to market. This accelerated pace was made possible through seamless collaboration across various functions, reflecting our values of Competency and Efficiency.

Forging impactful partnerships

We directed our focus towards niche and technology-driven products, characterised by their complexity in development. In sync with this objective, we recently formed a partnership to delve into nasal spray development, capitalising on their specialised expertise to spearhead innovation in this field. Moreover, our Chestnut facility enables us to manufacture nasal sprays.

Network optimisation

We have prioritised network optimisation through significant investments, enabling us to meet global demand across a wide range of formulations. These improvements across our production lines enhance our ability to deliver top-quality generic pharmaceuticals in diverse forms, with greater speed and efficiency, further reinforcing our position in the market.

Bettering operational efficiency

We have achieved substantial improvement in operational efficiency, resulting in tangible benefits across our operations. A focused effort on reducing operational expenditures in energy, fuel, and other indirect costs has effectively lowered the cost per 1,000 pills. Additionally, our focus includes enhancing shop floor employee engagement, fostering a collaborative environment for operational excellence.

Our operational excellence drive has led to a remarkable 30% increase in the monthly production levels of sachet lines. Concurrently, the sachet's Overall Equipment Effectiveness (OEE) has improved from 49% to 55% and above, showcasing enhanced productivity.

By implementing digital initiatives such as the Manufacturing Execution System (MES) with e-log and e-batch recording systems, we ensured that online contemporaneous data are maintained, allowing for better control over compliance and quality. Our digitalisation efforts have enabled full integration of MES with SAP, LIMS, TrackWise, and LMS.

We have deployed the latest best-in-class fully automated manufacturing equipment integrated with MES, including integrated granulation suites, high-speed automated tablet presses, continuous coaters, high-speed Softgel encapsulation lines, 360-degree visual inspection machines, and robotic packaging solutions.

These initiatives have not only streamlined operations but also significantly boosted efficiency and productivity across our operations.

Optimising capacity utilisation and inventory management

Optimising our plant's capacity has been instrumental in enhancing both financial performance and operational efficiencies. By aligning our infrastructure and capacities with production requirements, we achieved a harmonious balance that minimised under-utilisation and maximised overall operational effectiveness. These measures have directly contributed to our financial success, enabling us to generate sustainable results and maintain robust performance in a competitive market landscape. Efficient capacity utilisation and enhanced inventory management have been pivotal in driving our operational excellence and supporting long-term business sustainability.

Advanced technical training

Tailored virtual training modules have been developed and implemented to enhance the effectiveness and skill development of shop floor employees. Through Virtual Reality (VR) simulations, these training programmes provide a safe, immersive environment where employees can refine their skills, retain knowledge more effectively, and gain practical experience relevant to their jobs. This approach not only boosts employee confidence and operational efficiency but also helps to error-proof routine tasks in day-to-day operations.

Deployment of general AI and advanced advisors

General AI and advanced advisors leverage machine learning and real-time analytics to automate decision-making processes across industries. These AI-driven solutions optimise operations, from supply chain management to predictive maintenance, by providing actionable insights and adapting to dynamically evolving data inputs. They enable businesses to achieve higher efficiency, productivity, and innovation in competitive markets.

Research and development

Innovation focus, **driving our growth momentum**

Our commitment to research and development, alongside our innovative mindset, fuels our agility in responding to evolving demands. This is reflected in our extensive product range, covering various doses and cutting-edge technologies, bolstered by robust regulatory expertise. Our primary emphasis has consistently been on crafting specialised products with intricate formulations, presenting challenges in both development and manufacturing.

Our experts ensuring every solution is perfect

This strategic approach has steered our portfolio selection and guided our product development endeavours throughout our journey.

Our R&D efforts concentrate on new product developments with higher annual volumes and minimal competition, including:

Differentiated Products

This includes 505(b)(2) applications related to combination therapies or new dosage regimens of existing products.

Complex Generics

Products critical from a technology perspective, ensuring fewer competitors and a better market share.

Securing US Pipeline

Working on first-to-file products with launch exclusivity to strengthen our market position.

Partnered Developments

Diversifying our portfolio by partnering with external CDMOs to expedite product filings and launches.

Focus on B2B Platform

A dedicated focus on our B2B platform (synergICE) to foster robust partnerships with global partners for mutual growth.

We have maintained our filing momentum and also getting approvals for new products, building on our forte of developing differentiated and difficult-to-manufacture products.

Sharpening R&D capabilities

We are dedicated to accelerating access to safe, affordable, and innovative medicines for patients worldwide.

Our product development focusses on niche products with complex formulations and technology across diverse therapeutic segments. Our capabilities span multiple dosage forms, and we have developed partnerships that enhance our organic expertise. We specialise in potent compound development and novel drug delivery systems, including modified release tablets, powder for oral solution/suspension (PFOS), capsules, oral liquids, nasal sprays, soft gelatin capsules, and ointments and creams for both regulated and emerging markets.

260+

Cumulative ANDA filings

245

Approved ANDA

Maintaining our filing momentum

We have maintained our filing momentum and continue to receive approvals for new products, building on our strength in developing differentiated and difficult-to-manufacture products.

Aligned with our long-term goals, we are strongly focussed on the US market for growth. With nearly 245 ANDA approvals, we aim to commercialise a substantial portion of our portfolio, targeting 60-70 products. Additionally, we are revitalising around 60 products and actively pursuing their filing and approval over next 3 years.

Our specialists testing and mixing for excellence

Maximising our portfolio across our markets

While the US market remains a key focus, we are also committed to maximising our product portfolio in other regulated and emerging markets. We have earmarked several products for this initiative, targeting regions such as the UK, Europe, and Southeast Asia. Each business group has thoroughly analysed our product range, including numerous ANDAs, to pinpoint opportunities for market expansion. This programme aims to complete the necessary studies for market entry in specific regions, with the goal of filing these products in the coming year.

Cost efficient infrastructure and processes

To address external challenges like inflation and enhance our operational strategy, we have implemented process optimisations, operational excellence initiatives, efficient resource utilisation, and cost improvement programmes.

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

Road ahead

We are committed to increasing our R&D capabilities to ensure our products align with the latest regulatory requirements, thereby enabling continuous market supplies. Additionally, we will optimise the niche capabilities developed during the previous year. Our product maximisation strategy aims to expand into newer geographies, allowing us to reach a broader customer base.

Strides

Advanced technologies

Leading the way with technological **advancements**

Our team bringing precision to research

We continuously push the boundaries of technological interventions across various operational fronts. With firm confidence in the transformative power of these investments, we foresee enhanced compliance and efficiency over the long haul.

By seamlessly integrating advanced technologies, including artificial intelligence, machine learning, and automation into our processes, we aim to enhance our ability and deliver with precision.

Moreover, these technological strides with advancement empower us to make data-driven decisions, amplifying manufacturing efficiency, and enhance supply chain monitoring, further fortifying our organisational capabilities.

Broad basing Path2Digital

We are driving our flagship digitalisation programme, 'Path2Digital' to consistently drive efficiency, while triggering cost reduction across the board. Through strategic investments in technology and skill development, we significantly advance our digital maturity and fluency. The programme, evolving beyond paperless processes, now marks rapid growth towards end-to-end digitalisation with intelligent systems and advanced analytics.

Robust cybersecurity framework

We adopt a holistic approach to safeguard information against internal and external threats. Our Security Operations Centre (SOC) operates 24/7, deploying advanced Security Information and Event Management (SIEM) to monitor security alerts and ensure endpoint security through extended Detection and Response (XDR) technology.

We harness stringent incident monitoring and response protocols to facilitate swift threat detection and resolution. Regular employee training sessions on IT and cybersecurity, supplemented by weekly internal emails, enhance awareness of safe practices related to data security, phishing emails, and social engineering tactics.

Additionally, routine vulnerability assessments are undertaken as an integral part of our cybersecurity strategy, enabling prompt identification and resolution of security protocol gaps. These measures effectively mitigate cyber and information security threats, demonstrating our commitment to safeguard assets and maintain operational resilience.

eRDS worksheet creation automation

We automated the creation of Electronic Raw Data Sheets (eRDS) for Quality Control (QC) sample tests using the latest technologies, including Optical Character Recognition (OCR), Natural Language Processing (NLP), Robotic Process Automation (RPA), and Machine Learning (ML). Machine Learning (ML) models are trained and deployed to build calculations and qualifications. This automation reduces costs, speeds up eRDS sheet creation, and improves data accuracy.

Manufacturing recipe automation

We have automated the creation of manufacturing recipes using RPA, allowing us to swiftly generate target recipes by entering key parameters. This has significantly reduced the time required to replicate recipe parameters for larger batches from 18 hours to only 10 minutes, while also eliminating over 9,000 manual entries.

Facilitating data-driven decisions

We promote data democratisation within our Company. This empowers individuals, regardless of their technical expertise, to effectively engage with data, communicate confidently about it, and leverage it to make informed decisions and enhance customer experiences. This initiative provides access to real-time insights such as Plan vs. Actual sales, profitability, inventory coverage, sample status, and overall equipment effectiveness (OEE), among others. These insights are crucial in facilitating critical decision-making across functions, including manufacturing, business development, supply chain, finance, quality, and HR.

Improved quality review readiness

We place patient safety at the forefront by facilitating the comprehensive digitalisation of the Annual Product Quality Review (APQR) process, streamlined by a robust analytics framework. Embracing a digital-first approach in patient safety and product compliance necessitates the adoption of technically advanced and robust statistical processing systems.

These systems enable the near real-time availability of quality reports, ensuring both patient safety and non-negotiable product compliance.

Enhancing manufacturing efficiency

We utilise industry-renowned Manufacturing Execution System (MES) and Electronic Batch Manufacturing Records (EBMR) to significantly enhance compliance for high-volume products. These measures aim to optimise processes and reduce batch cycle time, thereby improving our products' time-to-market. Additionally, our ongoing efforts to digitalise logbooks provide end-to-end process visibility and valuable insights for process re-engineering.

Elevating supply chain through technology

We developed a sophisticated mapping tool within SAP in our continuous pursuit of supply chain excellence. This tool provides insights into our entire supply chain from API to finished product distribution. Real-time dashboards for supply chain monitoring are now in place, poised to further elevate our capabilities in the future.

Driving paperless lab and automation

We are moving towards a completely paperless lab environment, resulting in heightened efficiency and enhanced digitalisation of testing procedures. While our primary focus has been on electronic lab deployment, recent advancements have expanded to include microbiology and packaging material testing as well.

Quality and compliance

Elevating standard with unmatched **quality compliance**

We are dedicated to maintaining the highest quality and compliance standards. Our strong quality assurance framework, reinforced by a proficient team and digitised processes, reflects this dedication. By harnessing advanced analytics and innovative technologies, we embed excellence across our operations.

Through the deployment of AI tools and the emphasis on cultivating a strong quality culture, we set in motion a powerful thrust towards a secure future. Furthermore, we enhance employee competencies through digital development techniques, ensuring our team is well-equipped to surpass industry standards.

In the face of evolving industry demands and emerging trends, we remain committed to meet regulatory expectations across all regions where we operate. Recognising the complex challenges within our sector, we diligently uphold our standing with regulatory bodies, safeguarding the quality and compliance of our manufacturing sites.

Team ensuring seamless operation with every detail

Resetting quality improvement and sustainable excellence

Strides KRSG, our flagship manufacturing facility in Bengaluru, has embarked on a transformative journey with Project Resetting Quality Improvement & Sustainable Excellence (RISE), aimed at resetting the bar for quality excellence and enhancing performance. RISE goes beyond being a mere initiative; it embodies an evolved and improved approach to work, akin to an ingrained habit.

RISE of the quality vision

At the core of Project RISE lies the vision of instilling a quality culture where employees consistently exhibit the right behaviours. The initiation of the Project RISE emphasises the critical importance of establishing a robust quality culture, while infusing quality excellence into the very core of our daily operations. Project RISE is built upon a six-pillar vision, encompassing:

Product robustness
Striving for consistent end-to-end product mastery and industry-leading robustness.

Facilities and equipment
Maintaining compliant and future-proof infrastructure.

Quality processes
Adopting a top-tier strategy for investigating and resolving issues, aligned with industry best practices, ensuring that we meet and exceed quality standards.

People
Fostering a 'future-proof' quality culture where competencies are ingrained across all functions and levels.

Operating procedures
Streamlining procedures for compliance, user-friendliness, and efficiency.

Data and technology
Utilising best-in-breed systems for quality monitoring and compliance.

At the core of our six-pillar vision is an efficiency engine focused on value delivery. We enhance material productivity and production efficiency to consistently deliver value and support quality excellence.

Quality and compliance

Advancing with AI and AR

We are at the forefront of using advanced technology to strengthen our quality and compliance efforts, in line with our commitment to excellence. One notable example is the implementation of AI tools for the effective analysis of our digital database, enabling us to efficiently process vast amounts of data and make informed, data-driven decisions. This digital transformation, coupled with advanced analytics, promises to streamline operations and raise the bar for our quality standards.

To fortify our quality-centric culture, we have introduced a host of initiatives, including the Quality Fabric Programme, aimed at refining our quality deployment strategies and fostering digital maturity throughout the organisation. Additionally, we prioritise employee development by incorporating cutting-edge tools such as augmented reality (AR) technology to enhance skills and competencies. These initiatives empower our workforce and contribute to a culture of continuous improvement and excellence.

Reinforcing the quality culture

We are currently executing the second phase of our Quality Culture programme, initiated during FY 2022-23. Demonstrating our commitment to continuous improvement, we are focused on enhancing quality and compliance across our operations. This comprehensive 24-month programme targets key areas for improvement, with our employees playing a vital role in our pursuit of excellence in quality and compliance.

A collaborative approach to compliance assurance

By partnering with specialised experts, we significantly fortified our systems and processes across our facilities. Their expertise has catalysed substantial improvements and a comprehensive overhaul of our quality metrics. Our commitment persists in upholding the utmost standards of quality and compliance throughout our operations.

Strengthening Pharmacovigilance

Our pharmacovigilance operations function under a centralised umbrella, ensuring consistent governance across all subsidiaries. The global integration of our pharmacovigilance function, encompassing all regions where we operate, has established a benchmark for best practices in the field and has significantly increased efficiency. Additionally, we have integrated our European operations into our pharmacovigilance programme, further streamlining operations.

Delivering quality through skilled craftsmanship

Team's expertise meets advanced machinery

End-to-end best-in-class quality value chain

Fully digitising the quality review process

We have implemented end-to-end digitisation for our quality review process, revolutionising how we conduct our Annual Product Quality Review (APQR). This comprehensive digitisation has streamlined the APQR process, ensuring efficient monitoring and analysis of product quality.

Real-time access to quality reports

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

Improving manufacturing performance with continuous process verification

We achieved substantial success in our continuous process verification system, ensuring robust manufacturing performance and adherence to quality standards. By closely monitoring critical parameters and analysing production data in real time, we consistently maintain control over manufacturing processes, guaranteeing the delivery of high-quality products.

Harnessing robotics and automation for quality assurance

Integration of advanced tools such as Robotic Process Analytics (RPA) into our quality assurance and computer system validation activities accelerates the adoption of solutions and reduces time-to-market for finished goods. Furthermore, our automation-driven processes enhance operational efficiency, streamline quality control activities, and bolster compliance at every production stage.

Expanding our digital footprint across functions

Our commitment to digitisation touches every facet of our operations, encompassing quality control, quality assurance, manufacturing, and warehousing. By implementing electronic lab books, logbooks, and digital tools, we optimise process efficiency and streamline data management. Prioritising enhancements to Electronic Batch Manufacturing Record (EBMR) and Electronic Batch Packaging Record (EBPR) processes enables seamless data capture, analysis, and reporting. This ongoing expansion of our digital deployment across all functions and plants drives operational excellence, empowering us to consistently deliver high-quality products.

Real-time governance using advanced analytics

We have implemented a real-time governance framework powered by advanced analytics, utilising the most sophisticated tools for a top-down view of our operations. This allows leadership to swiftly make informed decisions, ensuring consistent quality and compliance across all levels. By analysing data in real time, we proactively address potential issues, driving continuous improvement and upholding the highest standards.

OneSource

Offering holistic solutions in **specialty pharma**

We proudly announced the launch of OneSource Specialty Pharma Limited (OneSource), India's first Specialty Pharma CDMO, covering biologics, complex injectables and oral technologies (Soft-gelatin capsules) in FY 2023-24. OneSource is structured into three distinctive divisions: Biologics and high-end drug-device combinations, a realm currently established under OneSource (formerly known as Stelis); Oral technologies (Soft Gelatin Capsules), demerged from Strides Pharma; and Sterile Injectables, demerged from SteriScience.

OneSource, hub of innovation and success

This strategic alignment positions OneSource as emerging among the top 5 Indian CDMO players, offering holistic and advanced solutions across these critical areas.

Rationale for the scheme

Growth potential

Each of the diverse businesses, including the CDMO segment, holds significant potential for growth and profitability. New launches are set to drive future growth.

Focussed strategy

The nature of risk, competition, challenges, opportunities, and business methodologies for the CDMO segment is uniquely distinct from those of other businesses of Strides.

Separate listed entity

Housing the CDMO business in a separate listed entity, OneSource, is aimed at driving growth and sustained value creation for shareholders through a sharper focus on the business, anchored on a differentiated strategy.

Multispecialty CDMO

The consolidation of the CDMO business will transform OneSource into a multi-specialty CDMO, encompassing capabilities in biologics, oral soft gelatin technologies, and complex injectables.

Strategically valuable

The first platform of its kind in India, spanning capabilities and services that only a handful of global companies can offer.

Scale of operations

OneSource boasts five state-of-the-art facilities approved by major regulatory agencies including USFDA, having successfully undergone 18 inspections in the last 24 months. OneSource consists of a workforce of ~1,200 employees, including more than 200 scientists and techno-commercial leaders.

With extensive capacity for a wide range of modalities and the ability to expand at industry-leading speed, OneSource is well-equipped to meet diverse client needs efficiently and effectively. We also provide regulatory support and highest level of quality compliance at every stage.

Segment-wise capability

Biologics – Drug Substance & Drug Product	We tailor our capabilities to provide development and manufacturing services throughout the lifecycle of biologics and complex products. We offer fully integrated development and manufacturing capabilities across microbial and mammalian platforms.
Drug-Device Combinations and Complex Injectables	We leverage our significant experience in injectables, coupled with vast capabilities to emerge as a very strong CDMO player for complex and ready-to-use products. We deliver across multiple formats, including pre-filled syringes (PFS), vials (lyophilised and liquid), and cartridges. Additionally, we are renowned for our expertise in drug-device combinations, such as autoinjectors and pens.
Soft Gelatin Capsules	Emerge as one of the key players in soft gelatin technologies with a strong funnel of opportunities and a robust partner-led Rx-penetration. We excel in multiple formats, including plain, enteric, aplicaps, chewable, and suppositories, drawing traction from three decades of formulation and manufacturing expertise.

Offering end-to-end solutions across tech platforms and therapeutic modalities

Biologics Mammalian & Microbial	Process & Analytical Development (DS & DP)	DS Manufacturing (Clinical & Commercial)	DP Manufacturing (Clinical & Commercial)
Drug-Device Combinations & Complex Injectables	Formulation & Device Development	Technology Transfer & Absorption	Commercial Manufacturing
Soft Gelatin Development	Formulation Capsules	Technology Transfer & Absorption	Commercial Manufacturing

This corporate action will create value for Strides Pharma shareholders, who will receive one share of 'OneSource' for every two shares of Strides at a swap ratio of 1:2, as determined by an independent valuer. The implied value of OneSource for Strides shareholders is ₹364 per share.

Strides

Arcolab story

Evolving through transformation **to drive impact**

Arcolab (wholly owned subsidiary of Strides) is an innovative Global Life Sciences Capability Centre offering a wide range of services in life sciences consulting, technology, and business solutions. A team of subject matter experts spans multiple domains, ensuring comprehensive support for your needs.

Arcolab team where teamwork fuels progress

With ISO 27001 and ISO 27701 certifications, Arcolab guarantees the highest standards of data security and privacy, giving customers and partners confidence in its effective control measures.

Since its inception in December 2018, Arcolab has evolved from a back-end cost centre to a global value creation hub, achieving significant strides in the life sciences sector. Beyond traditional captive centre services such as finance, legal, HR, and IT, Arcolab has expanded into specialised functions including global pharmacovigilance, clinical operations, intellectual property, and quality assurance. This transformation underscores its commitment to driving innovation and excellence across diverse life sciences disciplines.

Arcolab's focus has been on solving business challenges by developing capabilities across various functions, including Operational Excellence, Indirect Procurement and Logistics, and Tax Consulting. This strategic approach has enabled the Company to build a robust portfolio of over 25 clients, delivering complex processes and successfully completing over five business transitions and strategic projects across IT, CSV, Legal, HR, PMO, and Finance. These efforts have resulted in significant cost savings, seamless transitions, and ensuring day-zero readiness.

Arcolab ranked in the Top 3 Outstanding Global Capability Centres (GCCs) of the Year 2023 in the EY GCC Awards. Additionally, it was honoured with the Gold Award in the Corporate Business Houses Category at the Society of Energy Engineers and Managers (SEEM) National Energy Management Awards. Arcolab also received the Jury Award for special performance in facility management at the Commercial Real Estate Facility Management (CREFM) Masterstroke Awards 2023.

Transformation Journey

FY 2018-21	FY 2021-23	FY 2023-24
Multifunctional Shared Services	**Intelligent Business Solutions**	**Global Capability Centre**
• The primary focus was on consolidation of services to Arcolab and maintain business continuity. • Established a cross-functional approach. • Process improvements through technology (e.g., RPA, Darwin Box, etc.)	• Introduced new capabilities like Logistics, Tax Services and Operational Excellence, Indirect Procurement and S&OP. • Successfully delivered complex transitional projects. • Strategic investment in an ER&D company – Neviton Softech Private Limited.	• Initiated development of Arcolab Powered Products. • Ventured to external clients. • Service portfolio enhancement through in-housing of processes. • Focussed on consulting services to deliver maximum value to clients.

In the past 12 months, Arcolab has begun in-housing selected Pharmacovigilance services, enabling clients to achieve approximately 30% year-over-year savings. Through vendor consolidation and audits, Arcolab has enhanced compliance adherence while delivering additional cost savings. The Company has been instrumental in driving digital transformation for clients by deploying Robotic Process Automation (RPA) across 125 processes, resulting in 30% cost reductions. Additionally, Arcolab has successfully rolled out over 40 enterprise applications to clients worldwide and has played a pivotal role in supporting regulatory audits for more than 25 manufacturing facilities since its inception.

Looking ahead, Arcolab is committed to fostering innovation and digital transformation through the launch of AI-driven Arcolab-powered Products tailored for the Life Sciences industry. The Company aims to expand its business development initiatives introduced last year and explore new opportunities in Pharmacovigilance and Clinical Operations to enhance its consulting and operational offerings portfolio.

Life Science Capabilities

Driving Compliance as a Service

- Global Pharmacovigilance
- Clinical Operations
- Intellectual Property Rights
- Computer System Validation
- Quality Assurance
- Operational Excellence
- National Regulatory Affairs

Digital Innovation & Capabilities

Building future with Technology

- Arcolab-powered Products
- Enterprise Application Services
- Manufacturing IT Services
- RPA, AI & IoT
- Analytics
- Cybersecurity
- IT Infrastructure

Business Services

Enabling Business Excellence

- Finance
- Human Resources
- Legal
- Indirect Procurement
- Logistics
- Facilities Management

Strides

Delivering sustainably

At Strides, sustainability has always been integrated in our business strategy & operations and reflected in our interactions with the community and planet. We have always focussed on integrating ESG factors as a core value in our culture over past decades.

This is evident from our commitment to ethical and transparent governance, conscious efforts made to minimise our footprint on the environment, our community engagement efforts which all go far beyond the mandatory compliance requirements and prioritise the well-being, learning and development of our workforce above all.

ESG commitments

Crafting a **responsible roadmap**

As a global pharmaceutical company, with more than 80% of business interests outside of India and operations regulated by advanced markets with mature ESG standards, we have early integrated sustainability principles into our operations. With a diverse multinational profile, our customers and investors hold high expectations for our Company's sustainability practices, beyond mere compliance.

ESG dashboard

44.5%
Of the total power consumption in all sites are from clean energy sources (in-house and imported)

609+
Students have gained employment opportunities through Strides' skill development programmes since last 7 years

97,000+
Learning hours were achieved in FY 2023-24 covering all levels of employees and operators, focussed on a combination of Mandatory, Technical and Behavioural skills and aspects

24%
Women in top management

13,500+
People from 12 villages benefitted in the past 7 years from Aarogyadhama, our multi-specialty health centre in rural Bengaluru

Strides is now a
Signatory to United Nations Global Compact

We have continuously embraced ethics and sustainability principles as they have enable long-term value creation for all stakeholders.

To demonstrate our commitment, ESG success metrics are well-integrated into the performance scorecard and incentive structures of our senior leadership. These metrics also play vital roles in evaluating functional heads, ensuring buy-in across different levels for meaningful ESG success. Our aim is to continue generating positive and sustainable returns for our stakeholders, including shareholders, business partners, employees, patients, and the communities we serve.

In the current worsening global scenario of extreme climate events, geopolitical instability, healthcare emergencies, and stakeholders demand better transparency and higher accountability regarding ESG risks and practices. Our formal ESG journey in the public domain commenced two years ago, but as a listed entity, it has always been a continuous proactive endeavour, aiming to stay ahead of the curve. Our efforts to go paperless through organisation-wide digitisation not only enhanced operational efficiency but reinforce our commitment to the environment. Social commitments are reflected in CSR initiatives and employee engagement, especially reflected in difficult times as seen during Covid-19.

We stress greatly on ensuring a safe and conducive working environment for all. Initiatives like AspireHER, HERStrides, Strides Leadership Pathway are designed to support and empower all employees in their personal and professional development. Our efforts have been recognised through suo moto ESG rating improvements from 36.8 to 32.7 by Sustainalytics. Similarly, our ESG rating by EcoVadis has improved from 30 to 44. Aligning with our values, we are now signatories to the United Nations Global Compact, committing to shaping a sustainable future through active participation and collaboration in ESG matters. In the coming years, we aim to maintain this trajectory with equal, if not greater, dedication.

The following graphic depicts our ESG journey from FY 2021-22, highlighting the progress made to date, ongoing efforts, and our Company's aspirations for the future:

Strides roadmap - moving towards ESG maturity

FY2021-22

Initiation Statutory focus

- Published BRR and related sustainability disclosures
- ESG metrics included in the Annual Report
- Participated in Ecovadis and scored 30

FY 2023-24

Operational effectiveness and Risk mitigation

- Streamlining of BRSR disclosures
- Standalone Sustainability Report
- Materiality Assessment completed
- Signatory to the UN Global Compact
- Participate in S&P Global's Corporate Sustainability Assessment
- Ecovadis score improvement to 44 with a forward looking target

2025 and beyond

ESG Maturity

- BRSR advanced disclosures
- Sustainability Report
- Ecovadis score improvement
- S&P CSA - targeted score improvement
- UNGC commitment reporting
- SBTi commitment and reporting

ESG commitments

ESG Governance at Strides

At Strides, we have established a robust ESG governance structure with clearly defined roles and responsibilities. Our Board of Directors, as the highest governing body on ESG, sets and monitors our performance in this area. Under the Board's guidance, our Risk Management Committee spearheads our Company's ESG strategy and manages sustainability issues. Strong governance cultivates ethical leadership and a corporate culture prioritising integrity, honesty, and ethical behaviour. This supportive environment fosters ESG prioritisation at Strides and encourages employees to embrace responsible business practices.

Environmental commitments

We recognise our responsibility to minimise negative impacts on air, water, soil, and biodiversity. By continuously expanding our reliance on renewable energy sources through investing in rooftop solar panels and other sustainable technologies, we aim to actively reduce our carbon footprint. We achieved 4.12% of in-house clean energy generation in FY 2023-24. By further importing solar energy from third-party providers, we aim for a minimum of 50% of total power consumption at our flagship manufacturing site in Bengaluru. We also prioritise the use of eco-friendly refrigerants in all water chilling plants to reduce environmental impact from emissions.

Wastewater recycling systems and rainwater harvesting ponds are available at all our plant sites, enabling us to reuse treated water for various purposes. Currently, 3 out of 5 of Strides' sites are Zero Liquid Discharge (ZLD) sites. We have implemented water conservation through a reduce, reuse, recharge, and recycle approach within our manufacturing locations. These efforts help us contribute to sustainable water management practices. We adhere to the highest compliance standards for waste management practices. By segregating hazardous and non-hazardous waste at the source and conducting regular audits of third-party waste treatment facilities, we ensure safe and responsible waste disposal.

Our first materiality assessment

At Strides, we are deeply committed to upholding ESG principles in our operations and decision-making processes. Last year, we initiated a structured double materiality exercise for prioritisation of ESG topics and managing associated risks in a structured manner. Our aim was to incorporate diverse stakeholder views, streamline efforts, and optimise resources towards key focus areas. In line with this, we engaged various categories of internal and external stakeholders in the process. Employing a 'double materiality' approach, we assessed both how sustainability/ ESG issues impact our company and how our Company's activities impact the planet and society.

From a long list of 50+ material topics, we identified 23 key topics across seven themes that hold significance for both our company's business and stakeholders. These issues represent critical sustainability concerns for our Company's operations and performance, with potential impacts ranging from the short to the longer term. This overview informs our future ESG reporting and will be regularly updated. Our aim is to continue ensuring sustainable and positive results for our shareholders, supporting our community, minimising environmental impact, and evolving our culture for the well-being of all.

Our ESG focus areas

Environment

- Water Management
- Waste Management
- Renewable Energy & Efficiency
- Climate and Nature Resilience
- Carbon Emission Management

Governance

- Regulatory Compliance
- Economic and Business Performance
- Human Rights
- Risk Management & Business Continuity
- Ethical Corporate Governance
- Digital Transformation

People

- Talent Attraction & Retention
- Training & Development
- Diversity & Inclusion
- Employee Engagement & Well-being
- Operational Health & Safety

Social Impact

- Community Investment

Access to Healthcare

- Access to Healthcare
- Responsible Pricing & Affordability

Purposeful Partnership

- Responsible Supply Chain

Product Safety and Quality

- Product Quality
- Pharmacovigilance
- Manufacturing Excellence

Our Business Responsibility and Sustainability Reporting (BRSR) Report for FY 2023-24, which forms part of this Annual Report, and our forthcoming first standalone Sustainability Report for FY 2023-24 will provide further details on ESG initiatives of our Company.

Charting success with **empowered workforce**


Building bonds beyond the office

We cultivate the growth of our employees to synchronise with our collective organisational objectives. Our focussed HR practices foster employee development and enhance the capabilities of our human capital, contributing to our value-driven growth. Amidst the dynamic shifts in our industry landscape, our dedicated team continued to demonstrate significant commitment during FY 2023-24, setting new standards in organisational performance. Their resilience is instrumental in driving our continued success.

Human resource dashboard

97,000+
Learning hours delivered

3,800+
Dedicated shop floor engagement hours

4
Flagship DEI initiatives

25+
Engagement initiatives

1,000+
Leadership development hours

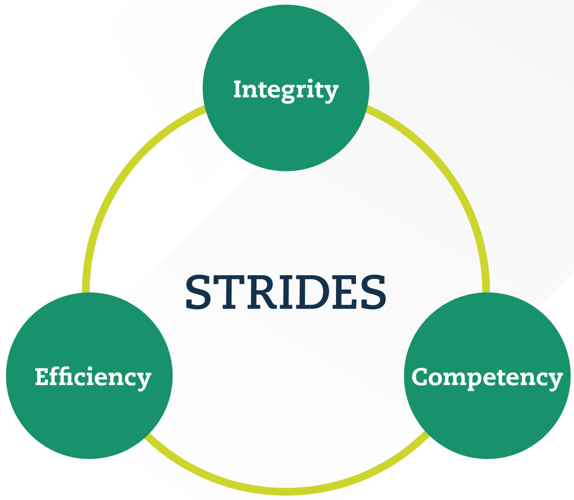
24%
Women in top management

Reinforcing our values

Our core values – ICE: Integrity, Competency, Efficiency – remain our guiding light, as we navigate our turnaround journey, reflecting our identity and our collective effort.

The transformation from 'Collaboration' to 'Competency' signifies a deliberate strategic move towards cultivating necessary capabilities within the organisation. This value embodies our commitment to continuous learning, and skill development, while refining our expertise in respective roles.

These concerted efforts empower us to contribute purposefully towards our collective objectives. We bestow our trust on these revised core values to steer us forward, creating a trajectory of enhanced growth, innovation, and success in future.



Advancing our objectives

In FY 2023-24, we have embraced a focussed '3 Es' approach to our people strategy. We are pleased to share the progress we made in each of these critical areas:

3 Es

- Enhanced Employee Experience
- Empowering Culture
- Enabled Business Decisions through People Analytics

Enhance Employee Experience

New joiners experience

We revamped our preboarding and onboarding processes to enhance efficiency and elevate employee experience, leveraging technology for seamless Day 1 integration. We also established quarterly 30-60-90 day HR check-ins to help new joiners assimilate into Strides culture and understand HR policies better.

Performance management and career growth

We revitalised our performance management system to include inputs from various stakeholders through online appraisal forms. Greater transparency and cross-functional reviews drive meritocracy and robustness. By closing appraisals on time, we implemented salary hikes within a week after the review period. We also set clear guidelines for performance ratings and promotions to ensure fairness.

Rewards and recognition

We built consistent, innovative methods to recognise employees individually, in teams, and at the organisational level, fostering appreciation and boosting morale. Regular communication channels like town halls and employee surveys ensured transparency and gathered valuable feedback.

Two-way communication and leadership connect

We facilitated quarterly town halls and open houses with the Chairman and CHRO to raise awareness about company performance and collect employee feedback. We also used technology for real-time feedback, grievance reporting, and new ideas.

Digital touchpoints for HR services

We digitalised HR policies and processes to ensure seamless service for benefits and probation confirmation. For exit employees, we aligned full and final settlements with the payroll process to enhance their experience.

People

Empowering Culture

Learning and development

We assigned mandatory and significant weightage to individual-level performance goals across our Company, with a clear focus on capability development as the top priority. Additionally, we made learning culture a leadership priority and conducted structured learning programmes to build behavioural and technical competencies. In alignment with our sustainability goals, we introduced compulsory trainings on topics such as code of conduct, sexual harassment, and unconscious bias.

Diversity, Equity and Inclusion

We analysed the diversity demography across the organisation and developed targeted programmes to increase the diversity ratio and build a diverse talent pipeline. We formulated multiple initiatives to define our diversity, equity and inclusion strategy, earning accolades such as the Best Organisation for Women Empowerment by UBS forums. The recognition of three of our female employees as 'Great Indian Women Leaders 2024' highlights our commitment to gender diversity and leadership excellence. Additionally, we implemented targeted walk-ins for hiring women employees in certain functions where they have been found to be more engaged and productive.

We introduced AspireHER, a technical upskilling programme, targeting entry-level employees at functions where the diversity ratio is low. This programme enhances their skillset and promotes career growth in their areas of interest, increasing their visibility and sponsorship through structured mentoring.

Empowering women, enriching our culture

HERStrides is a women leadership development programme for middle management level. It focusses on promoting intrapreneurial and strategic capabilities and executive presence. Women talent undergo structured mentoring and coaching and are provided with opportunities to lead High Impact Projects.

Strides Academy

We introduced various structured learning programmes under the broader umbrella of Strides Academy. Additionally, we enhanced technical capabilities for our site leadership through a multitude of programmes, including Plant Manager Academy, Next Generation Plant Manager Academy, and Quality Manager Academy. Our Strides Leadership Pathway programme graduated its first batch of young leaders. They were assessed on potential and aptitude through case studies and assignments involving business-critical problem-solving and cross-functional collaboration.

Strategic Talent Management

The Leadership Empowerment and Acceleration Programme (LEAP) is an immersive learning journey designed to strengthen our internal succession pipeline, primarily for critical roles within our technical functions.

We take pride in nurturing our future leaders by providing overseas assignments and international stints to gain the critical experience and exposure necessary for leadership roles.

Over the past 12 months, we identified 100 key talents across the organisational hierarchy and diligently formulated detailed development plans for each of them. Additionally, we introduced structured retention plans to ensure their continued growth and contribution to the organisation.

Industrial Relations and Shopfloor Governance

FY 2023-24 marked a year of harmonious and synergistic alignment with our labour unions across all our plants. Our unions played a pivotal role in ensuring business continuity across all sites. We successfully signed a long-term wage settlement with the unions of KRSG and Puducherry, a mutually agreeable and beneficial agreement for both the union and Strides.

The commitment to great shopfloor governance and productivity support enabled us to optimise employee costs, providing significant operating leverage.

Enabled Business Decisions through People Analytics

We have successfully integrated a centralised people analytics platform, aligning with the prevailing trend of increased data integration in leading organisations. By analysing team performance data, we have optimised workforce deployment.

We are quantifying the impact of our HR initiatives on key business metrics, such as time-to-hire and employee engagement, demonstrating a transition towards a data-driven HR approach. Our talent acquisition and retention strategies harness the power of people analytics to identify high-performing talent segments and optimise recruitment efforts. Additionally, we analyse skill gaps and design targeted training programmes, aligning with the growing emphasis on upskilling and reskilling observed in leading companies worldwide.

Regular employee pulse surveys, coupled with advanced analytics, allow us to gauge sentiment and identify areas of improvement. Moreover, with our personalised employee engagement initiatives using people analytics, we replicate the data-driven approach to employee engagement, followed in innovative companies.

Way Forward

With a strong foundation in place and momentum on our side, our strategic people priorities for FY 2024-25 are outlined as follows:

Champion sustainability

Sustainability is a cornerstone of our people strategy for FY 2024-25. We prioritise statutory and social compliance, emphasising responsible business practices and ethical conduct. Business continuity initiatives safeguard our operations and uphold stakeholders' interests, exhibiting our commitment to long-term viability and ethical governance.

This focus aligns with our organisational values and commitment to creating enduring impact for both business and society.

Competent talent pipeline

Succession planning for leadership roles, targeted talent development for mid-management, and nurturing young leaders are key pillars of Talent Management. By placing a premium on succession planning and talent development, we aim to bolster our competitive edge and chart a course for enduring success, aligning with investor and stakeholder objectives.

Capability building

Strengthening our organisational capability for the future remains a pivotal focus. Guided by the Strides Competency Framework, we chart a course of structured career development at each level, accentuated by defined skill mapping and multiskilling for shopfloor employees. Regular career conversations for key talent further enhance our capability-building efforts.

Culture as a competitive edge

We place highest premium on cultivating a robust organisational culture and fostering the concept of OneStrides as a global multinational company, and a high-performing organisation. Diversity, Equity & Inclusion initiatives reflect our commitment to inclusivity and belongingness. Community-building efforts create a workplace where every individual feels valued and supported.

Engaging discussions at a seminar

Cultivating initiatives for the **communities**

As a responsible corporate citizen, we prioritise societal contributions to create shared value. We extend our efforts beyond business objectives, actively engaging in diverse social initiatives to uplift and empower communities, embodying our commitment to responsible citizenship and sustainable impact.

Serve the community	Ensure sustainability	Focus on quality

Our Company is committed to make a difference by creating an impact on the lives of people, continues to invest in some of the ongoing CSR initiatives and has taken up new programmes/projects.

Our focus areas

- Healthcare
- Employability
- Education
- Community Welfare

Health & Hygiene

Arogyadhama – Delivering quality Healthcare

Contribution to UN SDGs

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

Arogyadhama, our comprehensive health centre located in the rural Bengaluru area, has garnered a commendable reputation for its outstanding services. Throughout the years, we've catered to a diverse population, serving numerous individuals from 12 surrounding villages (Suragajakkanahalli, Adoor, Honnakalasapura, Siddanapalya, Chinnaianapalya, Sonnanayakanapura, Medahalli, Gowrenahalli, Sidihoskote, Bodarahalli, Agasathimannahalli, and Amani Doddakere) with a focus on preventive, promotive, and curative healthcare.

Equipped with state-of-the-art medical amenities such as X-ray, scanning, laboratory facilities, and a minor operation theatre, Arogyadhama provides a range of specialised services including Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, and Pharmacy support. We take pride in offering affordable healthcare solutions, extending free consultations, medications, and diagnostic services to our community.

Regular medical camps, school health programmes, immunisation drives, and


Arogyadhama, our comprehensive health centre

initiatives addressing non-communicable diseases, tuberculosis, and leprosy are conducted, garnering appreciation from the locals, especially those in and around Suragajakkanahalli Village.

A special awareness and detection camp focusing on cervical, breast, and oral cancer was organised for women, resulting in several suspected positive cases being referred for further evaluation.

Additionally, we have completed the final audit process for ISO certification, demonstrating our commitment to quality care. In our journey towards self-sustainability, we have initiated a pilot run of Employee Annual Medical Check-ups post obtaining necessary certifications from the government.

Key milestones in FY 2023-24

8,543
Lives touched through Arogyadhama's Preventive, Promotive, and Curative Programmes

12,000
Number of individuals screened for Tuberculosis: 8 positive cases identified and treated. 1 cured and 7 currently under treatments

1,947
Immunisations administered to children in collaboration with the Government Primary Health Centre (PHC) in Haragadde

951
Individuals screened for non-communicable diseases (NCDs). Provision of regular check-ups and medication to diabetic & hypertensive patients

602
Students from 11 schools were covered under the School Health Programme

347
Individuals attended special health camps for Ophthalmology, Cardiology, Orthopaedics, and general medical check-ups. Among them, 56 received spectacles, 8 were referred for cataract surgery, and 11 cardio cases were referred for further investigation and care.

Education

Driving educational initiatives through LeAPS

Nurturing Leadership Capabilities – LeAPS

Contribution to UN SDGs

4 QUALITY EDUCATION

615

Students have greatly benefited from the LeAPS programme, which fosters holistic developmental needs of students and imparts fundamental skills. 82 Students (50 girls and 32 boy) who appeared for 10th standard exams, experienced tailored sessions focussed on enhancing examination skills and received valuable career guidance. Additionally, they have access to learning aids and ongoing academic support, ensuring a conducive environment for their educational journey

Our Leadership Adoption Programme for Schools (LeAPS) is crafted to inspire students in government schools to reach their full potential. Through comprehensive skill-building and vital educational resources, we aim to nurture the brightest futures for each student. Additional teachers have been enlisted to provide academic support alongside cultivating soft skills. We take pride in the acknowledgment and appreciation of our initiatives and support by faculty, SDMC (School Development Management Council), the parents and the local government.

Vidyadhama Project: Empowering Future Generations

Contribution to UN SDGs

4 QUALITY EDUCATION

The Vidyadhama-Strides Model Government Higher Primary School Project embodies our commitment to nurturing future generations in a safe and conducive learning environment. Situated across 2 acres and 16 guntas of land in Haragadde, Bengaluru rural, this initiative aims to establish a benchmark for exemplary schooling.

Construction is well underway, and we are pleased with the progress achieved thus far. Our goal is to deliver the completed project to the school authorities by December 2024. Through this endeavour, we aspire to empower young minds with holistic development plan and pave the way for their bright futures.

Employability

Facilitating skill development courses

Vocational Skill Development

Contribution to UN SDGs

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

As part of our commitment to empowering marginalized communities, we annually sponsor 100 students from the fisher and underprivileged communities. These students undergo training in collaboration with the Swami Vivekananda Rural Community College (SVRCC) in Puducherry. SVRCC is an educational institution that offers job-oriented training in various technical areas and is registered under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) of the Government of India. SVRCC imparts training that includes personal values, ethics, soft skills, self-discipline, and more, providing a comprehensive holistic education.

Through this Employability Empowerment Programme, we have successfully trained a total of 660 individuals, with 609 students securing gainful employment. Additionally, 32 students are currently pursuing higher studies.

Key milestones in FY 2023-24

100

Students from the 7th batch have successfully completed their training. Among them, 75 students have secured placements in various industries, while 25 have embarked on gainful self-employment ventures. This achievement marks a 100% employment rate for this year

100

Students from the 8th batch of 56 girls and 44 boys are undergoing training at SVRCC from August 2023, they with start on the job training in 2024

Community

Community Welfare

Sponsorship to Siva Sakthi Homes

Contribution to UN SDGs

Siva Sakthi Sathya Sai Charitable Trust is a registered trust, mainly serving intellectually challenged children and senior citizens. The Trust is located in Sri Raja Rajeswarinagar, Bengaluru, which houses 28 inmates with mild to severe issues and challenges who need constant attention. Based on the needs we are supporting the trust by providing grocery and medicines.

Social Accounting & Impact Assessment of CSR projects – by Social Audit Network (India)

We took up Impact Assessment for the CSR initiatives taken up for the last three years (2020-2023). Impact Assessment was carried through Social Audit Network, India (SAN India) which is the India Chapter of Social Audit Network, UK (SAN, 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 CSR 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.

Happy to mention that we have scored an overall rating of 9.2 out of 10 as against the earlier rating of 8.6 scored in 2019.

Further, as part of the impact assessment, SAN India also validated Strides' CSR goals to that of UN Sustainable Development Goals (UN SDG). Upon consideration, it was derived that Strides' CSR goals aligns with 4 UN SDGs viz.,

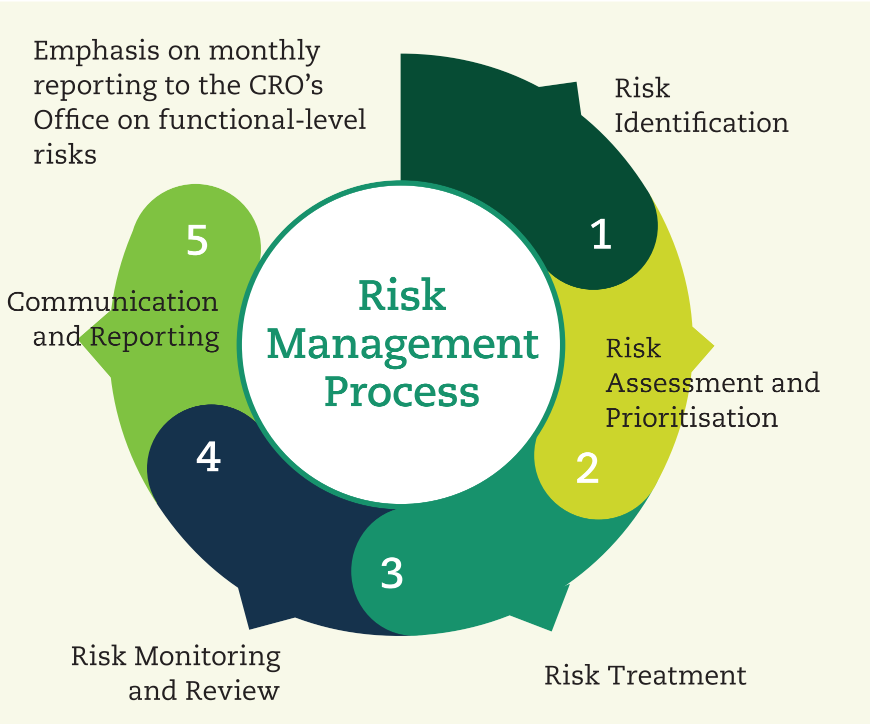
Contribution to UN SDGs

Criteria and results are

Focus Area	Strides Objective	Result
Healthcare	To provide preventive, promotive and curative healthcare and hygiene facilities	Met
Education	To improve the quality of education and equip the students to be future ready through life skills and value education	Met
Employability	To provide necessary skills and education to needy rural youth for them to become responsible citizens	Met
Community Support – Disaster Management	To respond to the disaster situation (Natural and pandemics)	Met

Maintaining momentum with prudent **risk management**

We recognise the essential role of a diligently curated Enterprise Risk Management (ERM) process and a solid Business Continuity Management (BCM) in fulfilling our Company's vision. Our firm dedication to a consistent and efficient ERM approach fuels our momentum, driving us towards sustained growth and greater success. To maintain our momentum, we continue to emphasise on a resilient ERM framework that aligns with our strategic goals and enable us to position favourably within the industry.



Our comprehensive ERM framework and processes are designed to adapt to the evolving business and risk environment. We take a holistic approach to risk management, offering an integrated perspective across various domains, including financial, operational, regulatory, reputational, extended enterprise, strategic, sectoral, sustainability-ESG, talent, sectoral, cyber security, and technology. This integrated approach amps up our resilience and builds stakeholder trust by addressing a broad spectrum of risks.

In FY 2023-24, our comprehensive ERM initiatives proved invaluable in navigating a diverse geopolitical and supply chain challenges. From the Hamas-Israel conflict to the Red Sea strike and from the Ukraine conflict, to transportation strikes in India and the US, these efforts have mitigated the financial impact on our revenue and profitability. Recognising the importance of cybersecurity, we have invested significantly in security products and enhanced our systems over the past two years.

We have a Security Operations Centre (SOC), along with allied management initiatives to counter both current and emerging threats. Cybersecurity is a mandatory topic in our monthly internal governance reviews, ensuring our readiness to respond swiftly to any potential issues.

ERM process at Strides

The objective of enterprise risk management at Strides is to develop a risk intelligent culture that supports decision-making and helps improve organisational performance. Specifically, our Company intends to achieve the following objectives:

- Stakeholder value protection;
- Provide decision-making support;
- Uniform ERM practice;
- Corporate governance;
- Comply with legal regulations

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

- The ERM team connects with various functions, which are the primary sources for risk identification;
- Thereafter, the team collaborates to identify and mitigate the risks of business units, including risks related to cyber security and sustainability. It also monitors external trends risks reported by peers in the industry.
- The leadership team identifies and assesses long-term and strategic risks for our 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 focussed mitigation strategies and management action.
- Periodic updates are provided to the RMC; the Committee reviews critical risks with respect to their impact, exposure, and mitigation action status.

ERM Governance Structure at Strides

In order to achieve the stated ERM objectives, our Company has put in place three levels of risk management responsibilities - Risk Oversight, Risk Infrastructure & Management, and Risk Ownership.

The **'Risk Oversight'** function mainly comprises the Board and RMC, who played a pivotal role in framing ERM policy and guidelines.

- The Board has overall governance oversight responsibility and provides direction to the management with respect to ERM practices
- The RMC acts as a forum to discuss and manage key risks, and oversee implementation of policy, including evaluation of adequacy of risk management systems

The next level of responsibility, namely **'Risk Infrastructure & Management'** is shared by the Group Level Steering Committee (GLSC) and the Chief Risk Officer.

- The GLSC deliberates on key risks for reporting to the RMC. It facilitates cross-collaboration in development of mitigation strategies
- The CRO acts as focal point of co-ordination for all ERM activities through the Risk Office

The RMC and GLSC along with the CRO support the Board to ensure independence of risk management from other functions.

The final **'Risk Ownership'** of risk tracking and mitigation rests with functional heads.

- Functional Heads and Risk Owners are responsible for identifying new and emerging risks by monitoring internal and external environment. They review the status of risks and implementation of mitigation plans.

Risk management

Risk training

We give utmost importance to a robust risk culture as fundamental to our long-term success and resilience. In alignment with this approach, we conducted two third-party operational risk trainings during FY 2023-24, tailored for employees and risk owners, in addition to initiating an internal risk training.

Moreover, acknowledging the evolving complexities of the business landscape, we organised two third-party strategic ERM workshops, separately for the board members and leadership teams, whereby they were apprised on emerging risks and contemporary concepts.

Through these workshops, we aim to keep our leadership updated with the knowledge and strategies required to effectively navigate and manage these budding uncertainties, thereby ensuring that Strides remains agile, informed, and poised for sustainable growth amidst a dynamic environment.

Inherent risks in the business

We conduct regular assessments of our inherent risk areas, with our leadership assuming responsibility for determining the nature and extent of significant risks, and formulating commensurate mitigation response plans.

We present below our inherent risks, which are prioritised, and periodically monitored, along with associated mitigation plans.

Inherent Risk at Strides

High:

- Patient Safety and Product Efficacy
- Cost Competitiveness
- Business Continuity - EHS & Disaster
- Product Supply
- Liquidity (Gross to Net)
- Statutory Compliance
- Confidential Information
- Contract Monitoring
- People (Talent & Succession)

Very High:

- Product Approval
- Regulatory Compliance
- Customer Relationships in Key Markets
- Cyber Risks
- Mergers & Acquisitions

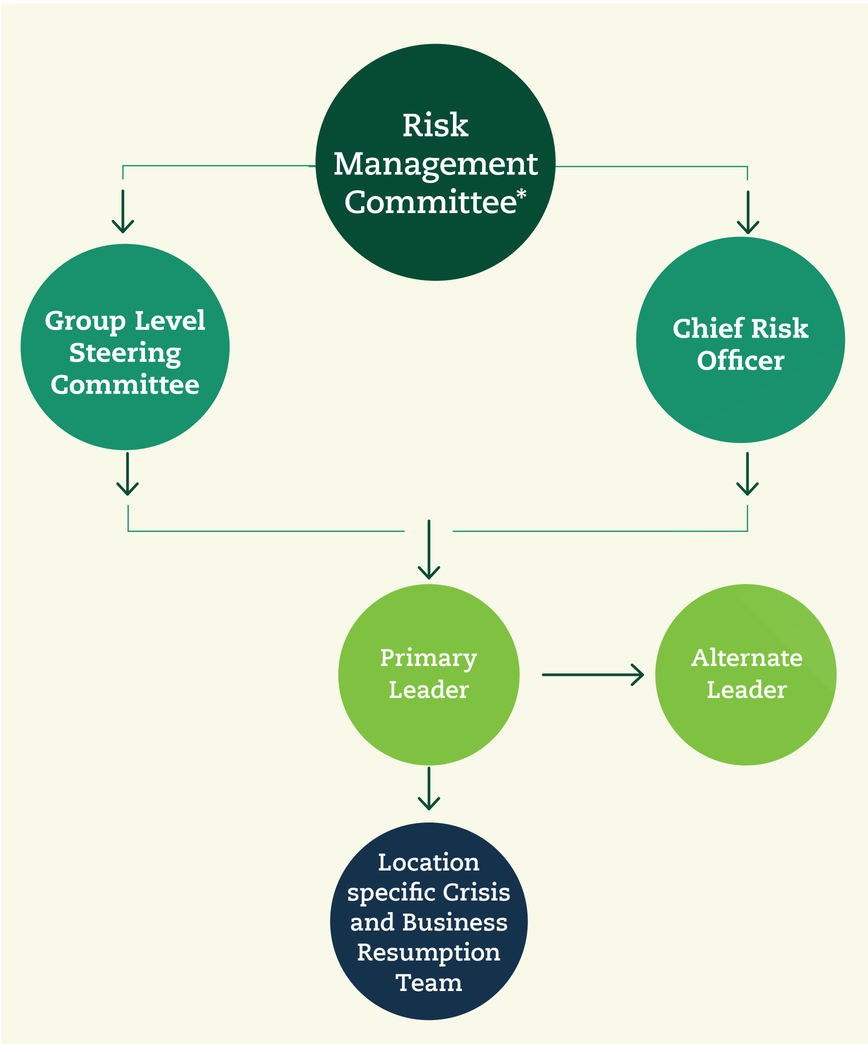
High | Very High

Business Continuity framework at Strides

We boast a structured Business Continuity framework based on leading international standards, including ISO 22301:2019, along with industry best practices. This is to ensure uninterrupted operations for critical functions and interdependencies.

Strides' Business Continuity procedures are guided on the principles of Proactiveness, Comprehensiveness, Integration and Continual Improvement. This includes the identification and assessment of potential risks and vulnerabilities, the development of contingency plans tailored to various scenarios, and the designation of clear roles and responsibilities within our dedicated Business Continuity Team. Our Company also carried out a detailed Business Impact Analysis (BIA) across all critical departments and units, ensuring thorough coverage of critical business continuity risks.

Our robust business continuity framework empowers our Company to systematically evaluate risk elements in order to maintain uninterrupted operations, while adhering to statutory requirements.



Business Continuity governance at Strides

As per policy, BCM Governance structure comprises the RMC, GLSC, Chief Risk Officer, Primary Leader & Alternative Leader and Location Crisis and Business Resumption Teams.

The RMC keeps the Board apprised on key outcomes on a periodic basis. Existing GLSC is leveraged for the purpose of discharging duties and responsibilities relating to BCP.

Conclusion

In the current global VUCA world (Volatility, Uncertainty, Complexity, and Ambiguity), companies must remain agile and proactive in their strategies. With due consideration towards inherent uncertainties, we persistently strive to strengthen and adapt our risk management practices and business continuity frameworks, thereby laying a robust foundation for long-term sustainability of the business.

Board of Directors

Arun Kumar
Executive Chairperson

Homi Rustam Khusrokhan
Independent Director

Dr. Kausalya Santhanam
Independent Director

Ameet Hariani
Independent Director

Subir Chakraborty
Independent Director

Badree Komandur
MD & Group CEO

Aditya Kumar
Executive Director -
Business Development

Leadership **Team**

Arun Kumar
Executive Chairperson

Badree Komandur
MD & Group CEO

Aditya Kumar
Executive Director - Business Development

Ramaraju PVS
Chief Operating Officer

Umesh Kale
Chief Quality Officer

Vikesh Kumar
Group CFO & Chief Investor Relations Officer

Surabhi Loshali
Group CHRO

Terrrence Fullem
President, US Business

Sormistha Ghosh
Group General Counsel, Chief Risk Officer & Chief Sustainability Officer

Amol Mehta
Chief Business Officer, Other Regulated Markets

K N Swamy
Head - Global Analytical Development and Services

Management Discussion and Analysis

Economic environment

World

The global economy has demonstrated commendable resilience during the year under review, navigating through various challenges while maintaining a steady growth trajectory, albeit amidst notable events. Supply chain disruptions stemming from the COVID 19 pandemic, coupled with the Russia/ Ukraine conflict, have precipitated a global energy and food crisis, exacerbating inflationary pressures. Consequently, there has been a concerted effort towards coordinated monetary policy tightening worldwide to address these concerns.

According to International Monetary Fund (IMF) estimates, global economic growth stood at 3.2% in CY2023, with projections suggesting a continuation of this pace in CY2024 and CY2025. However, this growth rate is relatively subdued compared to historical standards, attributed to a combination of near-term factors such as elevated borrowing costs, the withdrawal of fiscal support, and enduring effects from the COVID-19 pandemic and the Ukraine conflict. Additionally, weak productivity growth and increasing geoeconomic fragmentation further contribute to this subdued growth outlook.

While global headline inflation is expected to moderate from an annual average of 6.8% in CY2023 to 5.9% in CY2024 and 4.5% in CY2025, advanced economies are anticipated to return to their inflation targets sooner than emerging market and developing economies. Despite these inflationary pressures, economic activity has shown adaptability, defying predictions of stagflation and global recession. Notably, the United States and several large emerging market and middle-income economies have exhibited robust performance, with aggregate demand bolstered by stronger-than-expected private consumption amidst improving labour market conditions.

Global Economic Growth (in %)

	Year-on-Year		
	Estimate	Projections	
	CY2023	CY2024	CY2025
World	3.2%	3.2%	3.2%
Advanced Economies	1.6%	1.7%	1.8%
Emerging Market and Developing Economies	4.3%	4.2%	4.2%

Source: World Economic Outlook – April 2024

According to the IMF, the global economic landscape remains balanced but is beset by persistent uncertainties. Geopolitical tensions, such as those in Ukraine and Gaza, pose risks of price spikes, potentially impacting interest rates and asset values. Divergent disinflation rates among major economies may induce currency fluctuations, affecting financial sectors. The interplay of high interest rates, household debt, and mortgage adjustments could strain financial stability.

The IMF also comments that globally, central banks play a vital role in managing inflation amid the global economic transition. Medium-term fiscal consolidation is imperative for rebuilding fiscal space and ensuring debt sustainability. Tailored policy responses and supply-enhancing reforms are crucial for addressing inflation, reducing debt, fostering growth, and narrowing income disparities. Multilateral cooperation is essential for tackling challenges like geo-economic fragmentation, climate change, and debt restructuring, paving the way for a sustainable and inclusive economic recovery and a brighter future.

India

In FY 2023-24, India continued its trajectory as one of the world's fastest-growing major economies, achieving several significant milestones. The nation's GDP is projected to grow by 7.6% during this fiscal year, marking the third consecutive year of growth surpassing 7%. India's emergence as an investment destination has fostered innovation and solidified its position in the global economy. Strategic improvements in physical and digital infrastructure have bolstered productivity and sectoral outputs. The government's economic strategy is centred on revitalising India's growth engines, rejuvenating the financial sector, streamlining business operations to stimulate economic activities, and significantly upgrading infrastructure to enhance connectivity and manufacturing competitiveness. Through these reforms, the government aims to foster a favourable business environment, enhance the quality of life, and strengthen governance. Significant advancements have been achieved in the pharmaceutical and healthcare sectors. Initiatives like Ayushman Bharat and the National Health Stack have enhanced healthcare accessibility for Millions. Moreover, the Atmanirbhar Bharat Production-Linked Incentive (PLI) Scheme has been instrumental in fostering self-reliance, particularly in healthcare, by incentivising domestic production of medical devices and reducing dependence on imports.

Indian Economy GDP Growth Rate (in %)

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
GDP Growth Rate (%)	4.2	(6.6)	8.7	7.0	7.6

(Source: CSO, RBI)

India's outlook remains one of robust growth amidst global economic challenges. The nation is projected to maintain above 7% GDP growth, highlighting the country's immense economic potential. Supported by robust macroeconomic fundamentals, a growing domestic consumption base, and optimistic sentiments, India stands as a beacon of economic opportunity. Stable financial indicators, reinforced supply chains, and government investments in infrastructure further bolster confidence and pave the way for a resurgence in capital inflows.

India's concerted efforts to reduce logistics costs play a pivotal role in its aspiration to emerge as a key player in global trade networks. These initiatives align with the nation's ambitious goal of achieving a US$5 trillion economy by 2025, underscoring its commitment to sustained economic growth and development.

Global pharmaceutical industry development

The pharmaceutical industry is currently navigating a landscape characterised by both opportunities and increasing complexity. Producers of specialty products, medications for chronic conditions, and generic drugs are positioned to leverage growth opportunities, particularly amidst aging populations.

According to IQVIA, in 2023, the global pharmaceutical industry was valued at US$1.28 trillion and is projected to grow at a Compound Annual Growth Rate (CAGR) of 6-9%, reaching US$2.23-2.25 trillion by 2028. This growth is driven by the introduction of new pharmaceutical products and the expanding availability of biosimilars following patent expirations. However, developed nations are expected to face budgetary constraints, potentially resulting in measures to control drug spending, especially in light of the financial repercussions of the pandemic and investment in new treatments.

Following the WHO's announcement on May 5, 2023, marking the end of the COVID-19 public health emergency, attention has shifted towards combating other infectious and non-infectious diseases, highlighting the crucial role of medications globally. Innovative treatments introduced in the past decade are revolutionising patient care across various diseases, and the projected medication usage and spending through 2028 surpass previous estimates, despite a significant decrease in the anticipated demand for COVID-19 vaccines and treatments.

While global medicine consumption stabilised in 2023, it is expected to increase at an average rate of 2.3% annually until 2028, with China, India, and other Asian markets anticipated to grow over 3%. Latin American countries, having experienced rapid growth in the past five years, are forecasted to continue at a 1.9% annual growth rate. Conversely, North America, Western Europe, and Japan may witness slower growth in medicine usage due to their already high per capita consumption. By 2024, Eastern Europe is anticipated to resume its pre-Ukraine conflict growth trends.

Spending patterns on medications vary significantly between countries, reflecting their economic conditions. Affluent countries typically allocate more towards patented original branded drugs, while lower income nations rely more on generics and branded generics, also known as 'copy products' in regions with permissive patent regulations.

Following patent expiration, developed countries often transition their spending towards generics or non-original brands, impacting expenditure on original drugs, including those off-patent. Emerging markets and lower income countries allocate less to original medicines, focusing instead on more affordable generics or non-original brands.

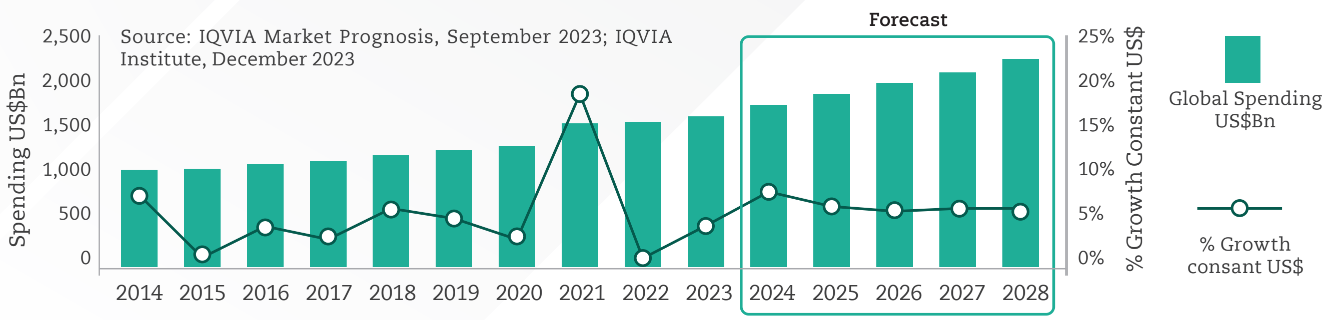
Global pharmaceutical market growth

(US$ billion)

Region	2023	2019-2023 CAGR	2028	2024-2028 CAGR
Developed	1,275	7.2%	1,775-1,805	5-8%
Pharmerging	304	7.8%	400-430	10-13%
Lower income countries	28	5.6 %	33-37	3-6%
Global	1,607	7.3%	2,225-2,255	6-9%

Source: IQVIA Market Prognosis, September 2023; IQVIA Institute, December 2023

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



Global pharmaceutical market by product type

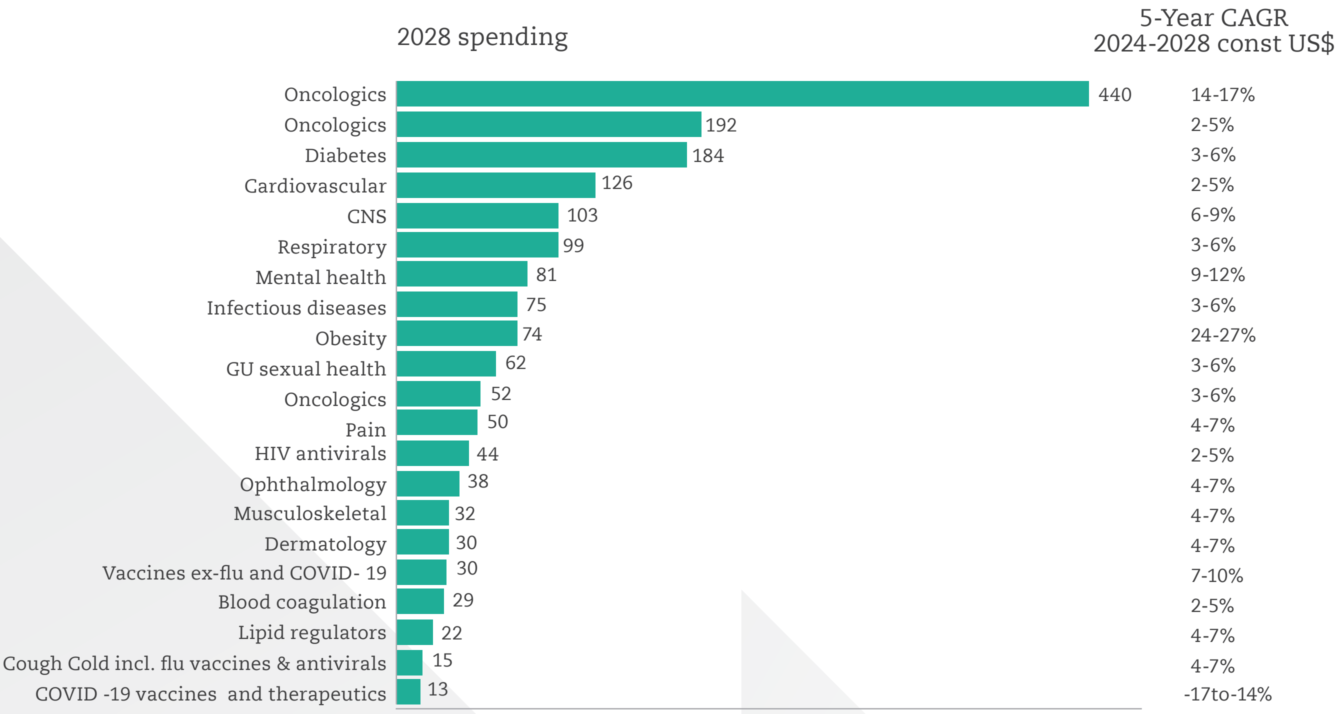
(US$ billion)

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

Source: IQVIA Market Prognosis, September 2023; IQVIA Institute, December 2023

The two leading global therapy areas, oncology and immunology, are forecasted a CAGR of 14-17% and 2-5%, respectively, through 2028. Oncology is expected to introduce 100 new treatments over five years, despite facing challenges from new exclusivity losses. Spending on treatments for autoimmune disorders is predicted to reach US$192 billion globally by 2028, driven by a steadily growing number of treated patients and new products addressing new immune disorders, with offset after 2023 due to biosimilars.

Growth in diabetes spending is slowing to low single digits in most developed markets and declining in some, especially when considering rebates. Global spending on obesity has accelerated over the past two years, with highly effective novel GLP-1 agonists gaining broader adoption. Further acceleration is expected, reshaping obesity treatment and the health outcomes of Millions if insurers and governments support broader reimbursement.



Source: IQVIA Forecast Link, IQVIA Institute, December 2023.

Outlook

In the foreseeable future, the primary driver for the upsurge in global medicine spending over the next five years is foreseen to be the widespread adoption and availability of new medical treatments in affluent markets. This is expected to counterbalance the impact of patent expirations and the ensuing affordability of generic drugs and biosimilars. While growth in innovative medicine has typically peaked shortly after its introduction, current trends and future projections suggest that established products will propel growth forward. The evolving landscape of medical spending is marked by an increase in volume and a shift towards higher-cost therapies, indicative of the enhanced accessibility and value of advanced medical treatments for patients worldwide.

Overview of key pharmaceutical markets

The US

The US pharmaceutical market exhibited robust performance, boasting a CAGR of 5.3% from 2019 to 2023. As the world's largest pharmaceutical market, the United States is poised to experience spending growth at net levels of 2% to 5% over the next five years. This expansion is expected due to the continuous increase in brand spending on an invoice basis, alongside the amplification of off-invoice discounts and rebates by the provisions of the Inflation Reduction Act (IRA).

Notably, oncology, immunology, diabetes, and obesity have shown accelerated growth, with only immunology facing significant ongoing loss of exclusivities that may impede innovation-driven spending growth. Apart from discounts and rebates, ongoing market dynamics related to medication usage, the adoption of newer treatments, the impact of patent expiries, and competition from new generic or biosimilar products will all influence the outlook through 2028.

European Union (EU5)

The top five European markets include the UK, Germany, France, Italy, and Spain. Medicine spending in these markets is projected to rise by US$70 billion over the next five years, up from US$65 billion in the previous five years, albeit with notable shifts in growth drivers. New brands played a pivotal role in driving growth from 2018 to 2023 and are expected to continue doing so in the next five years. However, their growth may be impeded by lingering pandemic effects on marketing operations early in the period and reimbursement decisions later, amid increasing budget pressures.

Generics, including biosimilars, are expected to contribute US$18 billion in growth over the next five years, similar to the past five years, despite a greater impact of Loss of Exclusivity (LOE) as volume gains are counteracted by price deflation. Additionally, payer actions will be influenced by the pace of economic and COVID-19 recovery, including broader inflation concerns and the impact of fuel commodity costs in the region related to the Ukraine conflict.

Innovation is anticipated to be robust in the next five years, despite the anticipated heightened scrutiny of the value of new medicines through health technology assessments. New brand growth may potentially be lower, while older established brands could experience more growth after proving their value in the market and securing market access. These dynamics represent a significant area of uncertainty.

Japan

In Japan, spending growth is anticipated to maintain a consistent -2% to 1% growth rate over the next five years, as the country continues its COVID-19 recovery and long-term trends affecting long-listed brands persist. Pricing revisions are expected annually during the forecasted period, although the impact during off-years may be less significant compared to established biennial price cut years.

Over the past decade, the share of spending on protected brands has increased from 48% to 54%, reversing a longstanding trend where this share would typically decline over time. This shift reflects manufacturers' increased investment in earlier launches in Japan and government initiatives enabling earlier access to novel medicines.

Additionally, the share of spending on generics is expected to rise, supported by policies that have been largely effective over the entire period. These policies encourage doctors to substitute available generics through a combination of incentives and penalties.

Australia

The Australian pharmaceutical market experienced minimal pandemic disruption, thanks to effective containment measures. Projections indicate a growth of 2-5% from 2023 to 2027, with adjustments for discounts and rebates yet to be factored in.

China

Pharmaceutical spending in China has shown a remarkable uptick, escalating from US$103 billion in 2014 to US$163 billion in 2023. Projections indicate that by 2028, this figure will surpass US$197 billion, reflecting a substantial increase of over US$30 billion in the next five years.

Government initiatives aimed at annually updating the national reimbursement drug list (NRDL) over the forthcoming five years are poised to enhance the coverage of new original medicines. Consequently, this is expected to drive up spending levels, albeit these medications generally undergo negotiations for lower net prices. Notably, there's a discernible trend towards domestic originators launching original branded products, altering the landscape of China's pharmaceutical market with potential ramifications for neighbouring regions and beyond.

Over the ensuing five years, original brands are anticipated to achieve a growth rate of 7.5% annually, whereas other product categories will witness growth rates of 6% or lower. This overall trend indicates a slowdown in growth, ranging from 2% to 5%. Non-original brands, including variations of medicines developed by multinational companies, represent the second-largest spending segment in China. However, their growth is forecasted to be less than 1% per year, partly attributed to governmental efforts aimed at curbing expenditure growth in hospitals.

Africa

The African pharmaceuticals market, excluding COVID-19 vaccines, reached US$25 billion in 2022 and is anticipated to grow at a 6% five-year CAGR to reach US$34 billion by 2027 in our base-case scenario. This growth trajectory aligns with our global forecast growth rates. The expansion and/or enhancement of universal healthcare systems across the continent will result in improved access to medicines and subsequently, higher pharmaceutical spending. In our upper-case scenario, IQVIA analysts forecast the African pharmaceutical market to achieve US$40 billion.

Egypt is poised to make the most significant contribution to Africa's pharmaceutical growth and is projected to remain the largest market, reaching US$5.8 billion by 2027, followed by Nigeria and South Africa. Growth in the latter is attributed to price increases permitted by the government, while Nigeria's sizable population is driving increased demand. French-speaking West African countries are expected to grow below the continent's average forecast CAGR.

Healthcare has assumed a central role in public perception, underscoring the importance of proactive approaches by both government and pharmaceutical industry leaders. It is imperative that they do not revert to pre-pandemic reactive strategies but instead adopt a more proactive stance.

About Strides Pharma

Strides Pharma Science Limited (Strides), headquartered in Bengaluru, India, is a global pharmaceutical company specialising in the development and manufacturing of niche finished dosage formulations. With a primary focus on intellectual property-led products, Strides has emerged as one of the world's leading producers of soft gelatin capsules. Operating in more than 100 countries, Strides maintains a robust global manufacturing presence with seven facilities spread across four continents, including four sites approved by the US FDA.

The company's product portfolio encompasses a diverse range of technically complex pharmaceutical offerings, such as liquids, creams, ointments, soft gels, sachets, tablets, and modified-release dosage formats. The Company excels in manufacturing products that are traditionally challenging to produce. Moreover, the company boasts a dedicated research and development facility in India equipped with global filing capabilities, enabling continuous innovation and expansion.

Driven by a resolute commitment to quality, Strides has gained a significant competitive edge 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.

Unveiling OneSource, a specialty pharma CDMO

During FY 2023-24, Strides Pharma Science Limited announced creation of 'OneSource', an independent Specialty Pharma Contract Development and Manufacturing Organisation (CDMO). OneSource will house three distinct businesses i) the Softgel business of Strides, ii) Biopharma business of OneSource (formerly known as Stelis), and iii) injectables business of Steriscience. OneSource will focus on manufacturing biologicals, complex injectables, and oral soft-gelatin capsules, aiming to be among the top 5 pure-play CDMOs in the country.

As part of the Proposed Scheme of Arrangement (Scheme), Strides will demerge its Oral Soft Gelatin business and Identified CDMO business (including investments in OneSource) into OneSource. As part of the Scheme, Strides' shareholding in OneSource will stand cancelled and its shareholders will become shareholders of OneSource. SteriScience, a promoter group company, will also demerge its Identified Sterile Injectables CDMO business into OneSource. Strides shareholders will receive one share of 'OneSource' for every two shares of Strides

Strides has received No Objection Certificate from the BSE Limited and National Stock Exchange of India for the Scheme and the Company will now approach National Company Law Tribunal, Bombay for their approval.

Key achievements of OneSource - FY 2023-24

- Achieved its highest revenue of US$ 21.5 Million in FY 2023-24, indicating a 4.4x growth over FY 2022-23.
- Recorded positive EBITDA for the first time in Q4 of FY 2023-24, net of one-time expenses.
- Master Service Agreements (MSAs) increased from US$ 31.1 Million to US$ 72.9 Million during the period.
- Secured the first Commercial Service Agreement (CSA) for a GLP-1 product, scheduled to launch by one of our key customers in FY 2024-25.
- The Drug Substance (DS) division was commercialised in H2FY24 and is expected to witness further growth in the near term.
- Upon transaction completion, OneSource will become India's first specialty CDMO, encompassing 40 unique logos, including 15 for GLP-1 products.

Regulated markets: Accelerating after reset

At Strides Pharma, our focus on the regulated markets business vertical underscores our commitment to delivering high-quality pharmaceutical products to regions such as the United States, Europe, Australia, South Africa, and Canada . In FY 2023-24, revenue from this segment surged by 12.9% year-on-year, reaching ₹ 33,382 Million compared to ₹ 29,079 Million in FY 2022-23, reflecting a strong performance strategy at play. This segment remains pivotal for us, constituting over 83% of our consolidated revenues.

US market: Remains a key market for Strides

Our US business witnessed a stable momentum, as we are steadily building the front-end and simultaneously tapering the partner business.

US business in FY 2023-24

₹ 20,632 Mn

Revenue

11.8%

Year-on-year growth in revenue from the US markets

51%

Of consolidated revenues represented by US business

Top 3

Ranking for 34 products, enjoying a market-leading position for several years, contributing 75% of our total US revenues

#1

Rank for 19 products

US business in FY 2023-24

245+

Cumulative ANDAs approved

260+

Cumulative ANDAs filed

Industry-leading

Customer service levels among generic pharma players, resulting in near-zero Failure-To-Supply penalties

66+

Commercial products

The United States continues to stand as the largest and most promising pharmaceutical market worldwide, boasting a vast customer base and patients in search of top-tier treatment options. Harnessing our research and development capabilities, we aim for 15-20 filings annually. Furthermore, we intend to leverage our well-established front-end presence to drive business expansion aggressively. Among Indian companies, we have achieved one of the fastest growth rates among the top 10 companies operating in the US market.

At Strides, our distinctive strategy for our US Business is characterised by our dominance in niche products. Diverging from the traditional generic pharmaceutical model, we have notched a lucrative foothold in the US market by meticulously orchestrating product launches, maintaining unwavering pricing discipline, and safeguarding our margin profile. Despite navigating the challenging US landscape, this strategic approach has fortified our position, ensuring a steadfast business outlook. Supported by approved manufacturing facilities and substantial investments in research and development, Strides boasts an extensive portfolio of approved products, positioning us robustly for future growth and innovation.

In the fiscal year 2023-24, our US business exhibited stellar performance, with a 11.8% revenue surge to ₹ 20,632 Million from ₹ 18,447 Million in FY 2022-23. This growth was propelled by our strategic focus on niche products and the stellar performance of our flagship offerings. Presently, we dominate in 19 products and rank among the top 3 in 34 products, collectively contributing to 75% of our US revenue.

Key highlights, FY 2023-24

- Sustained market share across the product portfolio has enabled steady growth.
- A disciplined and calibrated portfolio launch approach has led to improved profitability.
- Successfully launched 9 new products, contributing to sustained market share growth across the product portfolio and facilitating year-over-year (YoY) expansion.
- Obtained 6 key product approvals, enhancing our market presence and offerings.
- Maintained USFDA compliance across all facilities supporting our US business operations, ensuring adherence to regulatory standards and quality assurance.

Way forward

Our strategy entails Calibrated portfolio expansion to drive growth with 10-15 new launches annually which meets our profitability thresholds. Prioritising customer advocacy and flawless supply execution, we are committed to maintaining our position as a dependable channel for our partners. With a solid foundation, a commitment to customer satisfaction, and vigilant monitoring of growth metrics, we are confident that our forward-looking strategy will further strengthen our presence in the US pharmaceutical market.

At Strides, our focus in the US business isn't solely on rapid growth; rather, we prioritise margins, compliance, and ensuring a consistent supply. Our extensive pipeline of products acts as a safeguard, enabling us to uphold these crucial aspects.

Our focus remains on fast-tracked launches from our approved basket of ANDAs (260+ active ANDAs with 245+ approvals). Our aim is to launch an additional 60 products over the next 3 years to achieve the stated objective of US$400 Million in revenue. We are making investments in new segments as part of a long-term strategy to grow beyond US$400 Million, including entry into the nasal spray and 505(b)(2) markets.

Moreover, we are aiming for the first filing from the new segment within the next 12-15 months.

Other regulated markets: Maximising portfolio and forging strategic partnerships

We have strengthened our presence beyond the US to include various regulated markets worldwide. With a robust foothold in Canada, the UK, Europe, South Africa, and Australia, we leverage our extensive portfolio to thrive in these highly regulated markets.

In FY 2023-24, our other regulated markets (ORM) experienced significant progress and growth, with revenue increasing steadily by approximately 19.9% to ₹ 12,750 Million from ₹ 10,632 Million in FY 2022-23. We have prioritised building consistency before leveraging growth during the fiscal year, as demonstrated across each quarter of FY 2023-24. During the fiscal, our focus remained on maximising portfolio potential and fostering strategic partnerships to drive growth in ORM. With over 40 products launched, a quarter of which hold top 3 positions in our portfolio, we leverage diverse distribution channels for prescription (Rx) and over-the-counter (OTC) products. Engaging directly with wholesalers, NHS supplies, and Clinical Commissioning Groups (CCGs), we ensure broad market access and sustained expansion in these crucial markets.

We have initiated over 150 R&D filings to fortify a robust partner-led business spanning across more than 20 EU markets. Additionally, we leverage a 10-year supply contract with Arrotex, Australia's leading generic company.

Moreover, our strategic emphasis on expanding into new regions has yielded positive outcomes, evident in increased volume traction and the acquisition of new customers. This expansion has strengthened our market presence and enabled us to tap into fresh growth opportunities.

Our new B2B platform, synergICE has proven to be a significant milestone, surpassing expectations and delivering promising results. Through continuous investment in competence, we strive to achieve our goals, foster innovation, and adapt to shifting market dynamics. Our commitment to streamlining processes, upholding quality standards, and optimising resource utilisation drives efficiency and promotes sustainable business practices. This initiative has catalysed business expansion, cultivated robust partnerships, and elevated customer satisfaction to new heights.

Other Regulated Markets business in FY 2023-24

₹ 12,750 Mn

Revenue

19.9%

Year-on-year growth in revenue from other regulated markets

32%

Of consolidated revenues represented by other regulated markets business

UK

The UK market serves as our cornerstone in Europe. Our subsidiary, Strides Pharma UK Limited, upholds a robust presence in this pivotal market. Employing a variety of distribution channels for both prescription (Rx) and over-the-counter (OTC) products, we aim to capitalise on growth opportunities. These channels encompass direct wholesalers, NHS supplies, and Clinical Commissioning Groups (CCG). Recognised as a trusted provider of high-quality generic medications, we supply Tier-1 and Tier-2 wholesalers within the retail sector. Furthermore, we engage with the National Health Service (NHS) through tenders administered by the Commercial Medicines Unit (CMU).

Australia

The pharmaceutical market in Australia epitomises a knowledge-driven, technology-intensive industry, propelled by robust market access to pharmaceuticals, extensive generic penetration, rising awareness regarding lifestyle and chronic ailments, and subsidised prescription medication costs facilitated by the Pharmaceutical Benefits Scheme (PBS) for eligible patients. We have forged a robust and esteemed partnership with Arrotex, Australia's premier pharmaceutical company, boasting a substantial market presence. As their preferred long-term strategic supplier, our collaboration encompasses a diverse array of products. To cater to this market effectively, we operate a dedicated manufacturing plant in India.

EU

The European pharmaceutical market is characterised by its significant diversity, reflecting the macroeconomic variations across regions within Europe. A product's success in Western Europe may not necessarily translate to the same advantage in Eastern or Southern Europe. Therefore, our European presence is tailored to the specific regions we've entered. We've experienced consistent growth in the European pharmaceutical market. Through strategic partnerships, we've achieved robust traction, fostering healthy business expansion.

Key highlights, FY 2023-24

- Witnessed Robust demand for key products, coupled with new long-term supply contracts, significantly propelling growth within the EU market.
- Maintained strong customer advocacy and dependable supply enabling us to expand our customer base, consolidating our position in the market.

Way forward

Moving forward, the growth strategy for the upcoming period revolves around two pivotal pillars: expanding our product portfolio and acquiring new customers. We aim to harness the full potential of our existing strong funnel of opportunities, translating them into substantial growth drivers. This will be complemented by our momentum in filings and approvals, ensuring a swift path towards growth acceleration. Additionally, securing new product approvals in key markets is paramount, particularly in driving growth in the latter half of FY 2024-25. These concerted efforts will not only fortify our market presence but also position us for sustained success in the competitive landscape.

Growth markets: Positioned for strong growth driven by new geographies and new products

This segment encompasses our operations in both established geographies, such as South Africa and other African countries, and new focus geographies, including Latin America, APAC, CIS, China, and the Middle East. Together, these regions contribute to over 10% of our consolidated revenues.

We achieved revenues of ₹4,186 Million in FY 2023-24, marking a steady progression from ₹ 3,256 Million in FY 2022-23. This reflects our consistent advancement and strategic execution in key growth markets.

Growth Markets business in FY 2023-24

₹ 4,186 Mn

Revenue

10%

Of consolidated revenues represented by growth markets business

Established geographies

South Africa: Our portfolio boasts an extensive array of over 100 molecules, catering to diverse needs and markets. We have forged a robust relationship with Dischem, a prominent player in the industry, ensuring seamless access to our innovative products for customers.

Other African countries: The African pharmaceutical market is anticipated to witness robust growth, exceeding 10%, with branded generics expected to outpace originators. To capitalise on this promising landscape, our medical field force, covering 20,000 healthcare professionals, ensures our well-established presence.

New focus geographies

Focused expansion

Our expansion strategy is laser-focused on key regions:

- **Latin America (LATAM):** As a historical market for our group, we boast deep-rooted experience in this region, positioning us for sustainable growth and success.
- **Asia Pacific (APAC):** With a significant registered portfolio for re-entry, we are poised to capitalise on the immense opportunities presented by the APAC market.
- **Commonwealth of Independent States (CIS):** Leveraging our substantial registered portfolio for re-entry, we are strategically positioned to re-establish our presence and capture market share in the CIS region.

Strategic partnerships

- In China, we have entered into a joint venture with Sihuan, with three products currently undergoing the registration process.

- In the Middle East, we see tremendous potential to establish strategic partnerships with at least three leading companies.

Key highlights, FY 2023-24

- Consolidated operations in South Africa to enhance business efficiency and achieve operational synergy in this market.
- Revised our business model in Latin America to adopt a B2B approach, aiming for improved outcomes in this region.

Way forward

The future growth trajectory in Growth Markets will be steered by a concerted focus on portfolio maximisation strategies and astute expansion of our channel partners. Furthermore, the introduction of new filings will play a pivotal role in propelling Growth Markets to outperform the company average, thereby solidifying our position and enhancing market share in these crucial regions.

Access Markets:
A tender-driven business in FY 2023-24

₹ 2,987 Mn

Revenue

7%

Of consolidated revenues represented by access markets business

We have witnessed a resurgence in the access markets following the launch of the new antiretroviral tender. Despite the inherent variability due to donor-funded acquisitions, our focus is steadfast on fostering growth via strategic market manoeuvres and a dedication to customer-oriented strategies.

Revenue in the access markets remains uneven, as it is largely influenced by the tender process. Nevertheless, this aspect of the business compensates for the operational expenses of the facility

Key highlights, FY 2023-24

- Continued focus on Continuous Improvement Programs (CIPs) with vendors aimed at reducing costs and enhancing competitiveness.
- Despite efforts, contribution to overall revenues remains small.

Way forward

Going forward, our ongoing commitment to CIPs with our vendors is aimed at reducing the Cost of Goods Sold (COGS) and bolstering our competitive edge. Strides received a higher allocation in FY 2024-25 on the back of superior delivery in full on time (DIFOT).

Consolidated financial performance

(₹ in Million)

Particulars	FY 2023-24	FY 2022-23
Revenue[1]	40,555	35,458
EBITDA[2]	7,477	4,210
Adjusted PAT[3]	1,990	600

[1]Revenues referred in this section excludes interest income, income from investments and guarantee commission.

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

[3]Adjusted PAT = PAT from continuing operations without JV share and exceptional items (net-off taxes)

FY23 Consolidated figures in this section are excluding de-consolidated UCL, Kenya.

Key ratios

Particulars	FY 2023-24	FY 2022-23
Debtors' turnover	3.32	2.88
Inventory turnover	1.44	1.36
Interest coverage	2.68	2.32
Current ratio	1.10	1.21
Debt equity	1.14	1.25
EBITDA margin (%)	18%	12%
Net profit margin (%)	-2%	-6%

Advancing with innovation

Over the past few years, our R&D initiatives, particularly portfolio maximisation, have served as pivotal drivers of growth. We specialise in developing niche and differentiated products through focused research efforts, facilitated by our Global Formulation R&D centre in Bengaluru. With a robust R&D infrastructure boasting a strong team of professionals, we are committed to building a global portfolio utilising cutting-edge technologies prevalent in the pharmaceutical industry. Our R&D endeavours at Strides encompass a broad spectrum of dosage formats, including oral solids, oral liquids, topicals (liquids, creams, and ointments), soft gels, sachets, and modified release formats, catering to both Regulated and Emerging Markets. This comprehensive approach underscores our dedication to innovation and underscores our commitment to addressing diverse healthcare needs across the globe.

More details refer to pg. 28

Stringent adherence to quality and compliance

At Strides Pharma, we prioritise setting and reaching superior standards in compliance. Our unwavering dedication to compliance is a testament to our commitment to quality excellence, which is reflected in our comprehensive initiatives that encompass our people, processes, products, and technologies. We empower our workforce with specialised training programs that enhance their quality management capabilities, ensuring they can proficiently detect, document, and resolve any quality issues. Our robust quality excellence program is designed to uphold stringent compliance benchmarks and foster ongoing enhancement.

More details refer to pg. 32

Future-ready IT infrastructure

Over the years, we've developed a formidable IT infrastructure that ensures the utmost compliance and quality in our services. We've automated critical sectors like research, quality compliance, and manufacturing to enhance efficiency and minimise human error. A substantial portion of our production is carried out using the Manufacturing Execution System (MES) program, a long-term project that ensures our manufacturing operations meet Good Manufacturing Practice (GMP) standards and allows for the automatic collection of data from various machines and instruments. With MES, we're able to produce electronic Batch Manufacturing Records, facilitating the swift release of batches through 'Review by Exception.' The use of electronic logbooks has been instrumental in preventing documentation errors and ensuring simultaneous recording of all activities. Our relentless efforts to refine our R&D, coupled with a robust understanding of the regulatory landscape in controlled markets, have led to numerous successful product registrations worldwide.

More details refer to pg. 30

People at our core

At the core of our success are our dedicated individuals, whose hard work, determination, and passion drive excellence across our diverse businesses and markets. We foster a supportive work environment that values talent and prioritises the safety of our team members. Rooted in a culture of continuous learning, we provide abundant opportunities for skill development and upskilling.

We are confident that these initiatives cultivate an engaging and positive workplace, fostering growth and prosperity for all. Collaboration is central to our operations, and we actively encourage teamwork and knowledge sharing. Utilising various tools and platforms, we seamlessly collaborate with remote teams, fostering robust engagement.

To enhance communication and connectivity, our senior leadership regularly interacts with our global workforce through scheduled communication sessions during the year, underscoring our commitment to transparency. Additionally, we promote open dialogue across the organisation through our employee feedback and governance app, welcoming valuable insights from all team members.

We uphold the highest standards of ethical, moral, and legal conduct in all aspects of our business. Our Whistleblower Policy provides a platform for directors, employees, and stakeholders to report concerns regarding potential legal or regulatory violations, financial misrepresentations, or other pertinent matters.

Moreover, we prioritise the safety and well-being of our employees by conducting comprehensive training, workshops, and awareness programs to prevent workplace sexual harassment. Our gender-neutral Prevention of Sexual Harassment (POSH) policy underscores our commitment to fostering a safe and inclusive environment for every member of our organisation.

More details refer to pg. 46

Risk management

At Strides, we prioritise a robust Enterprise Risk Management (ERM) process and Business Continuity Management (BCM) to achieve our objectives. Our ERM process is continuous, aligning with our strategic goals and adapting to the evolving business and risk environment. We address a broad spectrum of risks, from Financial to Sustainability-ESG, bolstering resilience and stakeholder trust.

In FY24, our ERM initiatives navigated us through geopolitical and supply chain challenges, mitigating financial impact. Recognising cybersecurity's importance, we've made significant investments in security products and established a Security Operations Centre (SOC), ensuring swift response to threats. Cybersecurity is a mandatory topic in our monthly governance reviews.

More details refer to pg. 56

Internal control systems and adequacy

The Company's best-in-class IT framework guarantees robust internal controls across business operations and protocols. These controls offer substantial confidence in the accuracy and dependability of financial reporting. Additionally, the Company benefits from a dynamic, ongoing audit program, facilitated by Grant Thornton, which systematically covers diverse aspects of operations. The Audit Committee conducts frequent evaluations of the internal audit findings to maintain consistent oversight.

Board's Report

Dear Shareholders,

On behalf of the Board of Directors of the Company, it gives me pleasure in presenting the 33rd Board's Report, along with the Audited Financial Statements (Consolidated & Standalone) for the financial year ended March 31, 2024.

1. Financial performance

Company has prepared the Consolidated and Standalone Financial Statements for the financial year ended March 31, 2024 in accordance with the Indian Accounting Standards (**Ind AS**) as prescribed under the Companies Act, 2013 (**Act**).

Key highlights of Consolidated and Standalone Financial performance of the Company for the financial year ended March 31, 2024 is provided below:

(₹ In Million)

Particulars	Consolidated			Standalone		
	FY24	FY23[3]	YoY	FY24	FY23	YoY
Revenues[1]	40,555	35,458	14.4%	21,550	18,584	16%
Gross Margins	24,150	20,246	19.3%	10,485	7,928	32%
Gross Margin %	59.5%	57.1%	245bps	49%	43%	600bps
EBITDA[2]	7,477	4,210	77.6%	2,570	1,024	151%
EBITDA%	18.4%	11.9%	656bps	12%	6%	642bps

[1]Revenues referred in this section excludes interest income, income from investments and guarantee commission.

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

[3]FY23 Consolidated figures in this section are excluding de-consolidated UCL, Kenya.

2. Company's performance

FY24 was an exceptional year for Strides, marked by successful completion of its reset strategy initiated in FY22. With a sharper focus on Profitability, Efficiency and Growth (PEG) metrics, your Company achieved all its key objectives laid down in its reset strategy and bounced back to become a strong and resilient Company.

Company's targets for FY24 were in terms of achieving YoY growth of ~15% for its continuing business (i.e., excluding UCL Kenya), EBITDA of ₹ 7,000 to ₹ 7,500 Million, reducing debt and targeting Net Debt/ EBITDA ratio of less than 3x, manufacturing network optimization and superior cash generation.

In line with these goals, Company achieved the following during the year:

- Consolidated revenues of the Company grew by ~ 14.4% YoY from ₹ 35,458 Million in FY23 to ₹ 40,555 Million in FY24, aided by growth in the US and Other Regulated Markets.
- Gross margins grew by 19.3% (245 basis points) from ₹ 20,246 Million in FY23 to ₹ 24,150 Million in FY24 on account of improved quality of business and superior portfolio mix. Gross margins consistently improved during the year and returned to a historic high of 60.7% in Q4FY24.
- EBITDA grew by 77.6% (656 basis points) from ₹ 4,210 Million in FY23 to ₹ 7,477 Million in FY24. Stable operating costs led by cost control measures and manufacturing efficiencies enabled superior EBITDA margin expansion during the year. EBITDA margins improved from 16.1% in Q4FY23 to 19.3% in Q4FY24.
- Net Debt/ EBITDA ratio was reported at 2.72x as at March 31, 2024. Company reduced its Net Debt by ₹ 3,131 Million in FY24 i.e., from ₹ 23,481 Million in FY23 to ₹ 20,350 Million in FY24.
- Strong operating cash flow generation through efficient working capital cycle and timely corporate actions enabled the Company to reduce its debt during the year.
- Network optimization activity is completed across all our manufacturing infrastructure

and further augmented by divestment of Singapore manufacturing facility. This has led to reduction in net debt, reduced operating costs, lease costs and interest costs.

- Further, Return on Capital Employed (ROCE) for FY24 stood at 12.83% as compared to ROCE of 4.48% in FY23 mainly led by operating leverage, improved profitability and debt reduction.

Market Wise Performance

Regulated Markets

US Market achieved the higher end of FY24 revenue outlook of USD 250 Million, with six new product launches and sustained market share across the product portfolio. Revenue from US Business for FY24 stood at ₹ 20,632 Million (USD 250 Million), as against ₹ 18,447 Million (USD 232 Million), growth by 11.8% over FY23.

Of 66 commercialized products, Strides was ranked amongst the top three players in 34 products, thereby enjoying a market leading position for several years. Industry leading customer service levels amongst generic pharma players is leading to near-zero-Failure to Supply penalties for Strides.

From a US Business Outlook perspective, focus shall continue to remain on fast-tracking launches from the approved basket of ANDAs (260+ ANDAs with 245+ approvals) which comprises of acute and chronic products, including domains of controlled substances, hormones and nasal sprays. Calibrated portfolio expansion with the launch of additional 60 products over the next three years to achieve the stated objective of USD 400 Million revenue and investment in new segments as part of its long-term strategy to grow beyond USD 400 Million shall be the focus area for this region.

Other Regulated Markets (ORM) (comprising all Regulated Markets excluding US Business) delivered a YoY growth by 19.9%.

FY24 Revenues from ORM stood at ₹ 12,750 Million (USD 154 Million) as against ₹ 10,632 Million (USD 134 Million) in FY23.

Robust demand for key products coupled with new long term supply contracts has significantly propelled growth within the EU market. Strong customer advocacy and dependable supply enabled us to expand our customer base in this market.

From an ORM Business Outlook perspective, expansion of the product portfolio and new customer acquisitions, converting existing strong funnel of new opportunities and continued momentum in filings and approvals shall drive fast track growth in this region.

Growth Markets comprises of Africa operations and new geographies of LATAM, MENA, CIS, and APAC.

Revenue from the Growth Markets for FY24 stood at ₹ 4,186 Million (USD 51 Million) as against ₹ 3,256 Million (USD 41 Million) for FY23, reporting a YoY growth of 28.6%.

From Growth market Outlook perspective, focus on portfolio maximization strategies and astute channel partner expansion shall drive the future growth and new filings to aid Growth Market to grow better than Company average.

Access Markets (Institutional Business) revenues continues to be lumpy as all the business is tender driven. Revenue for FY24 stood at ₹ 2,987 Million (USD 36 Million) as against ₹ 3,123 Million (USD 40 Million) in FY23, recording a YoY de-growth by ~4.3%.

Continued focus on Cost Initiative Programs with vendors to reduce COGS and enhancing the competitiveness shall drive growth for the Access Markets. From a Business Outlook perspective, Global funds allocation for this market was muted in FY24. However, the Group received a higher allocation in FY25 on the back of superior DIFOT (Delivery in Full on Time).

Outlook for FY25

As the Company paves its way into FY25, it is positively aligned with its financial goals to deliver a robust growth. In the near term, your Company will continue to focus on operating cash flows while investing in growth to ensure that the efforts of our reset are balanced by an improved revenue CAGR, in the coming years.

In FY25, Company targets to grow its continuing business at 12-15% with significant growth coming in H2FY25 based on targeted product launches globally. Company is confident of increasing its EBITDA from its current levels and intend to achieve Net Debt/ EBITDA ratio of less than 2x by end of FY25. Company is also committed to grow its US business and achieve revenues of USD 400 Million in next three years.

3. Dividend for FY24

Board of Directors of the Company are pleased to recommend for approval of the Members, a Dividend of ₹ 2.50/- per equity share (i.e., 25%) of face value of ₹ 10/- each for the financial year ended March 31, 2024.

Dividend is subject to approval of Shareholders of the Company at the ensuing Annual General Meeting and deduction of income tax at source. Dividend if approved by the Shareholders, would be paid within 30 days from the date of AGM to those Shareholders whose name appear in the Register of Members as on the Record Date mentioned in the Notice convening the AGM.

Dividend payment is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company, which is in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(SEBI Listing Regulations)**.

The said Policy is available on the Company's website and web link to access the same is provided in Page 132 of the Annual Report.

4. Transfer to Reserves

Movement in Reserves and Surplus during the financial year ended March 31, 2024, 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. Update on Corporate Actions

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

5.1 Scheme of Arrangements

5.1.1 Amalgamation of Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited) into the Company

On August 2, 2023, Board of Directors of the Company approved an updated Scheme of Amalgamation for merger of its wholly owned subsidiary, Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited) (**Strides Alathur**) into the Company pursuant to the provisions of Section 230 to 232 of the Act.

Appointed Date for the said Scheme is April 1, 2023, or such other date as the Hon'ble National Company Law Tribunal (NCLT) or such other competent authority may direct in relation to the said amalgamation.

In October 2023, NCLT provided dispensation from holding meetings of equity shareholders, secured creditors and unsecured creditors of the Company and Strides Alathur. However, NCLT directed to serve notice of Scheme upon creditors of Strides Alathur and to the concerned regulatory authorities of both the companies, amongst others.

Post completion of the above, Company and Strides Alathur has filed a Petition with NCLT seeking approval for the Scheme. As at the date of this report, the Scheme is awaiting final approval from the NCLT.

The said amalgamation shall improve synergies and optimize administrative and other operational costs.

Upon Scheme becoming effective, all shares held by the Company in Strides Alathur shall stand cancelled.

Subject to receipt of requisite regulatory approvals, Company expects the said amalgamation to be completed during FY25.

5.1.2 OneSource – Creation of India's first specialty pharma pure play CDMO

On September 25, 2023, Board of Directors of the Company approved a Scheme of Arrangement amongst Strides Pharma Science Limited, Steriscience Specialties Private Limited (**Steriscience**) and Stelis Biopharma Limited (now known as OneSource Speciality Pharma Limited) (**OneSource**) pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Act and Rules framed thereunder, with an Appointed Date as April 1, 2024.

Pursuant to the proposed Scheme, participating entities are combining the Contract Development and Manufacturing (CDMO) business of Soft Gelatin Capsules of Strides, CDMO business of complex and specialty injectables of Steriscience and CDMO business of biologics products of OneSource (all the three CDMO business collectively called as 'Identified CDMO Business') into a consolidated CDMO platform ('OneSource') to be listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE), thereby unlocking value of the CDMO business.

Combining the three individually run business under one platform would lead to unlocking value for shareholders of the entities who are party to the Scheme (including public shareholders of Strides).

The proposed demerger shall facilitate in creation of two distinct listed operating entities (Strides housing retained business and OneSource housing combined CDMO business) which will ensure focussed leadership to drive growth in both entities.

The Scheme is expected to increase long-term value for shareholders of all the Companies and other stakeholders by unlocking intrinsic value of the Identified CDMO Business of the Company and Steriscience, on listing of shares of OneSource.

This combination shall enable OneSource to become a multispecialty CDMO with capabilities in biologics, oral soft gelatin, complex injectables, sterile injectables, including other complex drug delivery systems. While this will be strategically valuable, it will also be the first platform of its kind in India, spanning capabilities and services that only few global companies offer.

Share Entitlement Ratio (SER) for the Scheme is as under:

SER for the Scheme, based on the Valuation Report issued by M/s. PwC Business Consulting Services LLP and as confirmed by M/s. Jefferies India Private Limited in their Fairness Opinion is as under:

1) For shareholders of Strides: One equity share of OneSource for every Two equity shares of Strides;

2) For shareholders of Steriscience: 1,515 equity shares of OneSource for every One equity share of Steriscience.

Company has received No Objection for the proposed Scheme on May 21, 2024 from the Stock Exchanges viz., BSE and NSE.

Company is in the process of making an application with jurisdictional Hon'ble National Company Law Tribunal for seeking approval for the same.

The Scheme remains subject to receipt of applicable statutory and regulatory approvals including approval of respective shareholders and creditors. We will keep the stakeholders updated on the progress of the Scheme approval.

5.2 Acquisitions

5.2.1 Acquisition of additional stake in Neviton Softech Private Limited (Neviton) by Arco Lab Private Limited (Arco Lab), a whollyowned Subsidiary of the Company

Arco Lab was established in December 2018 as a wholly owned subsidiary of the Company. Arco Lab is an innovative Global Life Sciences Capability Centre designed to provide diverse capabilities across life sciences consulting, technology, and business services with subject matter experts across multiple domains.

Since its establishment in December 2018, the organization has transformed from a back-end cost-centre to a global value creation hub making remarkable advances in the life sciences sector. Beyond traditional captive centres, such as finance, legal, HR, and IT, the organization has expanded into specialized functions like global pharmacovigilance, clinical operations, intellectual property, and quality assurance.

Arco Lab acquired 25% stake in Neviton during August 2022.

Neviton is into the business of providing IoT (Internet of Things) and engineering solutions to a wide range of businesses and has expertise in building machine interfaces through IoT devices and live feeding data into real-time applications.

With the investments, Neviton and Arco Lab synergized their strengths, which enabled Arco Lab to offer better IT services ensuring higher scale, scope and enable better internal group wise digitization process.

In January 2024, Arco Lab acquired additional 25% stake in Neviton, thereby consolidating its stake to 50%. Effective January 5, 2024, Neviton is classified as a Subsidiary of Arco Lab (and consequently of Strides Pharma Science Limited)

5.2.2 Consolidation of Group's South African business under Trinity Pharma Proprietary Limited, South Africa, a step-down subsidiary of the Company

Strides' operates in South Africa through its subsidiaries viz., Trinity Pharma Proprietary Ltd., (Trinity) and Strides Pharma (SA) Pty Ltd, South Africa (Strides South Africa).

As part of business consolidation and to achieve operational synergies, Strides proposed to consolidate the Group's South African business under Trinity.

Accordingly, on March 30, 2024, Trinity acquired 100% stake in Strides South Africa from its erstwhile shareholders (i.e., 60% stake from Strides Pharma (Cyprus) Limited and 40% stake from the other shareholder) for an aggregate consideration of ZAR 21.73 Million.

The said consideration shall be settled in cash by Trinity on or before third anniversary from March 30, 2024. Trinity shall have option to prepay the consideration in case of any corporate transaction or out of its internal accruals.

5.3 Divestments/ Hive offs

5.3.1 Sale of manufacturing facility in Singapore

In December 2023, Strides Pharma Global Pte. Limited, Singapore (SPG), a step-down wholly owned subsidiary of the Company, completed divestment of its Singapore manufacturing facility including licenses, equipment, vendor contracts, etc., to Rxilient Biohub Pte. Ltd. (now known as PharmaGend Global Medical Services Pte. Ltd.), for a total cash consideration of USD 15 Million. SPG has received USD 12 Million as part of closing and the remaining consideration of USD 3 Million will be received in Q2 FY25.

The said manufacturing site was mothballed as part of manufacturing network optimization and cost reduction programs announced as part of reset strategy. Efforts were focused in integrating the manufacturing for US markets and the products that were supplied for US government procurement have been transferred to the Chestnut Ridge, US manufacturing site.

The said transaction was EPS accretive immediately with reduction of ~USD 9 Million (~₹ 750 Million) in annual costs with no impact on revenues. Proceeds from the transaction has been utilized for debt reduction.

5.3.2 Divestment of Entities as part of entity optimization exercise

During the year, following entities were divested as part of the entity optimization exercise:

a) Strides Pharma International AG (formerly known as Fairmed Healthcare AG), Switzerland, a step-down subsidiary of the Company, has divested its 100% stake in Eris Pharma GmbH, Germany to a third party. The said transaction achieved closure effective January 30, 2024.

b) SPG Singapore divested its entire stake (80%) in Strides Pharma Latina SA De CV, Mexico (Strides Mexico) effective March 31, 2024 to the local partner who was holding the balance stake.

5.4 Conversion of Equity Warrants

Pursuant to approval accorded by Shareholders of the Company at the Extraordinary General Meeting held on April 7, 2022, Company had 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 was in compliance with the provisions of the Act, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulations.

Conversion of Warrants

During September 2022, Karuna had converted 452,490 Warrants into Equity Shares.

Further, during October 2023, Karuna converted the balance 1,547,510 Warrants into Equity Shares.

As at March 31, 2024, there are no outstanding Warrants.

Utilisation of Funds

Company has raised an aggregate amount of ₹ 884 Million from issuance and conversion of Warrants (including ~₹ 513 Million received during FY24). 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.

6. Composition of the Board

Company is in compliance with the provisions of the Act and the SEBI Listing Regulations with regard to composition of the Board.

As at March 31, 2024, Strides' Board comprised of Seven Directors viz., Two Executive Directors and Five Independent Directors, details of which are provided below:

#	Name	Designation	Remarks
Executive Directors			
1	Arun Kumar	Executive Chairperson, Managing Director and Promoter Director	Re-designated as Executive Chairperson effective June 1, 2024.
2	Badree Komandur	Executive Director – Finance & Group CFO	Appointed as Managing Director & Group CEO effective June 1, 2024 for a period of three years, subject to Shareholders' approval.
Independent Directors			
3	S Sridhar	Independent Director & Chairperson of Audit Committee	Will be completing his second & final term as Independent Director on July 30, 2024.
4	Bharat Dhirajlal Shah	Independent Director & Chairperson of Nomination & Remuneration Committee and Stakeholders' Relationship Committee	Will be completing his second & final term as Independent Director on June 14, 2024.
5	Homi Rustam Khusrokhan	Independent Director & Chairperson of Risk Management Committee	
6	Dr. Kausalya Santhanam	Independent Director & Chairperson of CSR Committee	
7	Ameet Hariani	Independent Director	Appointed as Independent Director effective February 1, 2024

Further, Board of Directors of the Company in their meeting held on May 22, 2024 appointed, the following directors, subject to Shareholders' approval:

1) Mr. Subir Chakraborty as the Independent Director effective June 1, 2024 for a period of five years; &
2) Mr. Aditya Arun Kumar as Executive Director – Business Development effective June 1, 2024 for a period of three years.

KMP of the Company during the year and as at the date of this report:

1) Mr. Arun Kumar (Whole-time Director)
2) Mr. Badree Komandur (Whole-time Director)
3) Ms. Manjula Ramamurthy (Company Secretary)

Details pertaining to changes in Board of Directors of the Company during the year and to the date of this report and details of Director retiring by rotation at the ensuing AGM and being eligible offered for re-appointment is provided in the Corporate Governance Report (Page 108 & 109), which forms part of this Annual Report.

6.1 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

Board has also constituted a non-statutory committee titled "Management Committee (MC)". This Committee primarily considers matters that may be delegated by the Board of Directors under Section 179 of the Act and other delegable matters for administrative convenience.

The Committee comprises of two Independent Directors and an Executive Director. Chairperson of the Committee shall be appointed on a rotation basis amongst the Independent Directors.

The Committee meets at such intervals based on needs of the Company.

Number of meetings of the Board and Board Committees during FY24

Details of meetings of Board and Board Committees held during FY24 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. Share Capital

Authorised Share Capital of the Company as at March 31, 2024 is ₹ 1,883,700,000/- divided into 188,370,000 equity shares of ₹ 10 each.

Issued, Subscribed and Paid-up Share Capital of the Company is as under:

Particulars	Number of Shares	Amount (₹)
April 1, 2023	90,302,704 equity shares of face value ₹ 10/- each	903,027,040/-
Additions during the year	49,500 equity shares of face value ₹ 10/- each issued pursuant to exercise of ESOPs during the year; and	15,970,100/-
	1,547,510 equity shares of face value ₹ 10/- each issued pursuant to conversion of warrants.	
March 31, 2024	91,899,714 equity shares of face value of ₹ 10/- each	918,997,140/-

8. Subsidiary, Joint Ventures and Associate Companies

Details of Subsidiaries, Joint Venture and Associate entities as at March 31, 2024 are provided herein below:

Nature of Relationship	India	Overseas	Total
Subsidiaries	4	30	34
Joint Ventures	-	1	1
Associates	2	6	8
Total	**6**	**37**	**43**

List of Subsidiaries, 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 Statutory Auditor's Certificate thereon for FY24 forms part of this Annual Report.

11. Management Discussion and Analysis Report

As per SEBI Listing Regulations, Management Discussion and Analysis Report for FY24 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 FY24 forms 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 and Remuneration

The percentage increase in remuneration, ratio of remuneration of directors and key managerial personnel (KMP) (as required under the Act) to the median of employees' remuneration forms part of this report and is appended herewith as **Annexure-4** to this report.

Further, 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 employed throughout the year and in receipt of remuneration of ₹ 1.02 Crore or more per annum and employees employed for part of the year and in receipt of remuneration of ₹ 8.50 Lakh or more per month 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 at the registered office of the Company 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.

A detailed report on the CSR activities undertaken during FY24 is enclosed as **Annexure-5** to this Report.

Strides' CSR Policy is available on Company's website and web link to access the same is provided in Page 132 of the Annual Report.

16. Particulars of Loans given, Investments made, Guarantees given or Security provided by the Company

Company has disclosed the full particulars of loans given, investments made or guarantee given or security provided during the year, as required under Section 186 of the Act in Note no. 38 to the standalone financial statements, which forms part of this Annual Report.

17. Contracts or Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during FY24 with related parties were in ordinary course of business and at arm's length basis.

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. 43 to the Standalone Financial Statements in the Annual Report.

Strides' Policy for Governance of Related Party Transactions is available on the Company's website and web link to access the same is provided in Page 132 of the Annual Report.

18. Auditors and Audit Reports

18.1 Secretarial Auditors

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 FY24, inter alia, included audit of compliance with the Act and the Rules made thereunder, SEBI Listing Regulations and other applicable Regulations prescribed by SEBI, amongst others.

Secretarial Audit Report does not contain any qualifications, observations, reservations or adverse remarks.

The said Report is enclosed as **Annexure-7** to this report.

18.2 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.

Statutory Auditors' Report for the financial year ended March 31, 2024, is enclosed along with the financial statements in the Annual Report.

Statutory Auditors' Report does not contain any qualifications, observations, reservations or adverse remarks.

18.3 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.

18.4 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), has been appointed as Cost Auditors of the Company for FY24 and FY25.

A proposal relating to remuneration of Cost Auditors for FY24 and FY25 is placed before the Shareholders for approval in the ensuing AGM.

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

Risk Management has always been an integral aspect of our organisational activities and control systems. Strides' Risk management process covers all functions and operating locations globally at the enterprise level.

Company has in place Enterprise Risk Management Policy which outlines risk management process and 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 FY24 forms part of the Corporate Governance Report (Page 113 & 116) and additional details relating to Risk Management is provided in Page 56-59 of the Annual Report.

21. Other Disclosures

a) Nature of Business of the Company

During the year under review, there has been no change in the nature of business of the Company.

b) Deposits

During the year under review, Company has not accepted any deposits falling within the ambit of Section 73 of the Companies Act, 2013 and Rules framed thereunder. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

c) 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 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.

Audit Committee of the Company oversees implementation of the Whistle Blower Policy.

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.

During the year, Company has not received any protected disclosure.

Strides' Whistle Blower Policy is available on the Company's website and web link to access the same is provided in Page 132 of the Annual Report.

d) Policy on Directors Appointment and Remuneration (Strides' Nomination and Remuneration Policy)

Company has formulated a Nomination and Remuneration Policy for the Board of Directors including Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and other employees of the Company.

The said Policy inter-alia covers criteria for appointment and remuneration of Directors, KMP and SMP including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Act.

Strides' Nomination and Remuneration Policy is available on Company's website and web link to access the same is provided in Page 132 of the 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 FY24.

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 Conservation, 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 to sensitize employees to uphold dignity of their colleagues and prevention of sexual harassment.

Disclosure relating to PoSH complaints during the year is provided in Page 128 of the Corporate Governance Report, which forms part of this Annual Report.

k) **General**

1) During the year, Company has not made any application under the Insolvency and Bankruptcy Code, 2016 (IBC).

   Further, there are no proceedings admitted against the Company under IBC.

2) 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, Independent Directors of the Company have confirmed 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.

Independent Directors of the Company have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

In the opinion of the Board, Independent Directors of the Company possess necessary expertise, integrity and experience in their respective fields and fulfil the conditions specified in the SEBI Listing Regulations and are independent of management.

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 Page 110 of the Corporate Governance Report, which is part of this Annual Report.

24. Material changes and commitments

There were no material changes and commitments affecting the financial position of the Company which occurred between 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 the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) directors have prepared the 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 take this opportunity to express their sincere gratitude to all employees, customers and suppliers who have contributed to Strides' success over 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 22, 2024
Place: Ooty

Annexure 1

Details of Subsidiaries which have become or ceased to be part of Strides' Group during FY 2024

Part A - Entities incorporated

Sl. No.	Name of the Entity	Holding Company	Incorporation Date	Remarks
1.	UCL Brands Limited, Kenya	Strides Pharma Global Pte. Limited, Singapore (SPG)	May 30, 2023	Subsidiary of SPG with 51% stake
2.	Strides Softgels Pte. Ltd., Singapore	Strides Pharma Services Private Limited, India (SPSPL)	September 15, 2023	WOS of SPSPL

Part B - Acquisitions

Sl. No.	Name of the Entity	Holding Company	Effective Date	Remarks
1.	Neviton Softech Private Limited, India (Neviton India)	Arco Lab Private Limited, India (Arco Lab)	January 5, 2024	Subsidiary of Arcolab

Notes:

- Initial acquisition of 25% stake by Arco Lab in Neviton India was during August 2022.
- In January 2024, Arco Lab acquired additional 25% stake in Neviton India, thereby consolidating its stake to 50%. Effective January 5, 2024, Neviton India is classified as a Subsidiary of Arco Lab (and consequently of Strides Pharma Science Limited).

Part C – Entities that became part of Strides' Group

Sl. No.	Name of the Entity	Holding Company	Effective Date	Remarks
1.	Neviton Technologies Inc, USA	Neviton Softech Private Limited, India (Neviton India)	August 8, 2023	WOS of Neviton India

Note: Effective January 5, 2024, Neviton Technologies Inc, USA is a Subsidiary of Strides Pharma Science Limited, India.

Part D – Entities ceased to be part of Strides' Group

Sl. No.	Name of the Entity	Effective Date	Remarks
1.	Eris Pharma GmbH, Germany	January 30, 2024	Divested to third party
2.	Strides Pharma Latina SA De CV, Mexico	March 31, 2024	Divested to the local partner

Part E – Internal Restructuring during the FY

Sl. No.	Name of the Entity	Transferor	Transferee	Effective Date
1.	Strides Pharma Services Private Limited, India	Arco Lab Private Limited, India	Strides Pharma Science Limited, India	September 8, 2023
2.	Strides Pharma (SA) Pty Ltd, South Africa	Strides Pharma (Cyprus) Limited, Cyprus	Trinity Pharma Proprietary Ltd, South Africa	March 30, 2024

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 22, 2024
Place: Ooty

FORM AOC 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

(Statement contaning salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

Part A - Statement containing salient features of Financial Statements of Subsidiaries

(₹ in Million, except % of shareholding and exchange rates)

#	Name of the Subsidiary	Country of incorporation	Reporting Period for the subsidiary concerned, if different from Holding Company's 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 Innvovations Inc.	USA	Apr-Mar	USD	83.37	224.35	(223.80)	0.01	(0.54)	-	-	(0.01)	0.04	(0.05)	-	100.00%
2	Apollo Life Sciences Holding Proprietary Limited	South Africa	Apr-Mar	ZAR	4.41	-	(0.01)	0.62	0.63	-	-	-	-	-	-	51.76%
3	Arco Lab Private Limited	India	Apr-Mar	INR	1.00	3.53	1,477.75	2,394.86	913.58	-	1,387.31	173.71	46.24	127.47	-	100.00%
4	Arrow Life Sciences (Malaysia) SDN BHD	Malaysia	Apr-Mar	MYR	17.64	0.97	(0.92)	0.05	-	-	-	(0.02)	-	(0.02)	-	100.00%
5	Beltapharm S.p.A^	Italy	Jan-Dec	EUR	90.10	131.19	119.18	567.11	316.75	-	398.18	(210.00)	-	(210.00)	-	97.94%
6	ERIS Pharma GmbH. Germany^	Germany	Jan-Dec	EUR	90.10	41.00	(41.00)	-	-	-	1.76	2.33	-	2.33	-	-
7	Strides Pharma International AG (Formerly, Fairmed Healthcare AG))	Switzerland	Apr-Mar	CHF	92.41	111.22	(588.82)	2,268.40	2,745.99	-	1,175.08	(316.69)	(0.01)	(316.68)	-	70.00%
8	Fairmed Healthcare GmbH^	Germany	Jan-Dec	EUR	90.10	18.92	(2,279.06)	611.49	2,871.62	-	566.76	(213.76)	-	(213.76)	-	70.00%
9	Generic Partners UK Limited	UK	Apr-Mar	GBP	105.24	0.01	40.36	40.65	0.28	-	-	(1.43)	-	(1.43)	-	100.00%
10	Neviton Softech Private Limited*	India	Apr-Mar	INR	1.00	0.11	209.04	249.99	43.22	-	76.72	16.62	5.49	11.13	-	50.00%
11	Neviton Technologies Inc.*	USA	Apr-Mar	USD	83.37	0.42	(2.80)	-	-	-	2.70	(1.34)	-	(1.34)	-	50.00%
12	Pharmapar Inc.	Canada	Apr-Mar	CAD	61.57	307.87	(509.62)	-	201.75	-	-	(46.99)	-	(46.99)	-	100.00%
13	Stelis Biopharma (Malaysia) SDN. BHD.	Malaysia	Apr-Mar	MYR	17.64	234.30	(132.00)	102.31	0.02	-	-	6.80	-	6.80	-	100.00%
14	Strides Arcolab International Limited	UK	Apr-Mar	USD	83.37	5,318.60	(1,796.53)	7,909.22	4,387.17	509.58	-	(1,017.03)	(222.27)	(794.76)	-	100.00%

FORM AOC 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

(Statement contaning salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

Part A - Statement containing salient features of Financial Statements of Subsidiaries

(₹ in Million, except % of shareholding and exchange rates)

#	Name of the Subsidiary	Country of incorporation	Reporting Period for the subsidiary concerned, if different from Holding Company's 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 (%)
15	Strides CIS Limited	Cyprus	Apr-Mar	USD	83.37	0.27	(41.08)	(39.78)	1.02	-	-	0.40	(0.46)	0.86	-	100.00%
16	Strides Life Sciences Limited	Nigeria	Apr-Mar	NGN	0.06	0.63	(278.27)	2.37	280.02	-	20.34	(344.56)	0.15	(344.71)	-	100.00%
17	Strides Pharma (Cyprus) Limited	Cyprus	Apr-Mar	EUR	90.10	0.26	1,873.51	2,126.33	252.57	-	1,381.24	197.80	24.39	173.41	-	100.00%
18	Strides Pharma (SA) Pty Limited	South Africa	Apr-Mar	ZAR	4.41	-	(135.09)	362.55	497.63	-	461.95	(37.22)	-	(37.22)	-	51.76%
19	Strides Netherlands B.V.	Netherland	Apr-Mar	EUR	90.10	1.80	34.78	159.58	123.00	-	115.24	12.73	3.25	9.48	-	100.00%
20	Strides Nordic ApS	Denmark	Apr-Mar	DKK	12.05	0.48	62.83	427.91	364.60	-	475.23	4.36	2.39	1.97	-	100.00%
21	Stides Pharma Science Pty Ltd	Australia	Apr-Mar	AUD	54.37	144.77	(103.27)	42.33	0.82	-	-	(24.62)	-	(24.62)	-	100.00%
22	Strides Pharma Services Private limited	India	Apr-Mar	INR	1.00	1.85	(1.55)	0.78	0.48	-	-	(0.32)	-	(0.32)	-	100.00%
23	Strides Pharma Global (UK) Limited	UK	Apr-Mar	GBP	105.24	4,656.95	(3,067.38)	1,579.27	(10.31)	19.48	-	10.91	(6.61)	17.52	-	100.00%
24	Strides Pharma Asia Pte Ltd.	Singapore	Apr-Mar	USD	83.37	14,617.21	2,281.69	16,931.21	32.31	-	0.93	534.39	-	534.39	-	100.00%
25	Strides Pharma Canada Inc.	Canada	Apr-Mar	CAD	61.57	612.95	(299.45)	348.70	35.21	-	86.89	(99.88)	-	(99.88)	-	100.00%
26	Strides Pharma Global Pte Limited	Singapore	Apr-Mar	USD	83.37	16,380.22	(3,807.50)	26,369.10	13,796.38	82.35	19,922.87	(481.50)	212.18	(693.68)	-	100.00%
27	Strides Pharma Inc.	USA	Apr-Mar	USD	83.37	1,680.86	6,457.33	18,353.92	10,215.73	1.35	19,716.39	758.11	177.09	581.02	-	100.00%
28	Strides Pharma International Limited	Cyprus	Apr-Mar	USD	83.37	36.52	1,394.61	1,510.04	78.91	-	-	77.32	9.33	67.99	-	100.00%
29	Strides Pharma UK Limited	UK	Apr-Mar	GBP	105.24	1.52	933.00	2,985.82	2,051.30	-	2,987.05	133.52	153.27	(19.75)	-	100.00%

FORM AOC 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

(Statement contaning salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

Part A - Statement containing salient features of Financial Statements of Subsidiaries

(₹ in Million, except % of shareholding and exchange rates)

#	Name of the Subsidiary	Country of incorporation	Reporting Period for the subsidiary concerned, if different from Holding Company's 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 (%)
30	Strides Pharma Latina, SA de CV	Mexico	Apr-Mar	MXN	5.03	56.75	(56.75)	-	-	-	-	(21.48)	-	(21.48)	-	-
31	Strides Softgels Pte. Ltd.	Singapore	Apr-Mar	USD	83.37	0.01	(1.49)	1,539.97	1,541.45	-	-	(1.48)	-	(1.48)	-	100.00%
32	SVADS Holdings SA	Switzerland	Apr-Mar	CHF	92.41	466.59	(17.06)	671.78	222.25	-	61.29	33.61	51.82	(18.21)	-	100.00%
33	Trinity Pharma Proprietary Limited	South Africa	Apr-Mar	ZAR	4.41	0.01	476.24	2,082.48	1,606.22	-	1,791.45	137.28	34.30	102.98	-	51.76%
34	UCL Brands Limited	Kenya	Apr-Mar	KES	0.63	1.49	1,067.42	1,083.81	14.89	-	194.39	(152.68)	13.18	(165.86)	-	51.00%
35	Vensun Pharmaceuticals Inc.	USA	Apr-Mar	USD	83.37	5,071.39	(6,397.88)	(1,326.48)	-	-	-	-	-	-	-	100.00%
36	Strides Alathur Private Limited (Formerly, Vivimed Life Sciences Private Limited)	India	Apr-Mar	INR	1.00	282.67	(260.46)	1,330.11	1,307.89	-	1,298.54	(283.45)	(76.83)	(206.62)	-	100.00%
	Strides Foundation Trust (Not a Subsidiary; however considered for consolidation purpose)	India	Apr-Mar	INR	1.00	-	20.36	22.15	1.78	-	-	(0.68)	-	(0.68)	-	-

Notes:

^ Numbers provided are for the period April 1, 2023 upto March 31, 2024.

* Categorized as Subsidiary effective January 5, 2024.

FORM AOC 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

(Statement contaning salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

Part B - Statement containing salient features of Financial Statements of Associates and Joint Ventures

#	Name of Associate / Joint Venture	OneSource Speciality Pharma Limited, India (Formerly, Stelis Biopharma Limited)	Aponia Laboratories Inc, USA	Universal Corporation Limited, Kenya	Sihuan Strides (HK), Limited, Hong Kong
1	Latest Audited Balance Sheet Date	March 31, 2024	March 31, 2021	March 31, 2023	December 31, 2023
2	Shares of Associate/ Joint Venture held by the Company on the year end on a consolidated basis				
	No.	12,929,220 equity shares	3,734,074 preference shares	92,946 shares	2,450,000 shares
	Carrying amount of Investment in Associate/ Joint Venture as at March 31, 2024	₹ 1,807.12 Million	Nil	₹ 73.19 Million	₹ 12.66 Million
	Extent of Holding %	31.12%	24.00%	48.98%	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	₹ 354.38 Million	₹ 128.03 Million
6	Profit/ (Loss) for the year				
	Considered in Consolidation	(₹ 1,217.70) Million	(₹ 4.16) Million	(₹ 478.81) Million	(₹ 70.41) Million
	Not considered in Consolidation	Nil	Nil	Nil	Nil

Notes:

1) Subsidiaries of Associates and Joint Ventures are not disclosed above.

2) Neviton Softech Private Limited, India is a subsidiary of the Company effective January 5, 2024. Hence, details disclosed only in Part A - Statement containing salient features of Subsidiaries.

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 Number: A30515

Date: May 22, 2024
Place: Ooty

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, please find below the details of Employee Stock Options pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act, 2013 as at 31 March 2024.

	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. 41 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 ₹ 7.19 Discontinued Operations ₹ 0.00 **Total Operations ₹ 7.19**
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
D	**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, 2023	3,70,000 Options
	(ii)	Options granted during the year under review	10,000 Options
	(iii)	Options lapsed during the year under review	61,500 Options
	(iv)	Options vested during the year under review	71,500 Options
	(v)	Options exercised during the year under review	49,500 Options
	(vi)	Total number of shares arising as a result of exercise of options	49,500 Options
	(vii)	Money realized by exercise of options	₹ 1,25,36,500/-
	(viii)	Total number of options in force at the end of the period ending March 31, 2024	2,69,000 Options
	(ix)	Available for further grant	23,60,950 Options
H	Weighted average exercise price		₹ 236.46
I	Weighted average fair value of options		₹ 154.13
J	**Employee-wise details of options granted during the year under review:**		
	(i)	Senior Managerial Personnel/ Key Managerial Personnel	None
	(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 1 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**	**LOT 16**
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	May 25, 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	283.50
Repriced on April 24, 2018* (in ₹)	711.85	670.56	555.18	NA	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%	6.99%
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	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%	38.39%

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	LOT 16
Expected dividend/ yield	40%	40%	40%	40%	20%	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	377.60

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: Employees who received grant more than 5% of FY24 grant:

Sl. No.	Name of Employee	Designation	Category	No. of options	Exercise price (in ₹)	Scheme name
1.	Sridhar Balasubramanian	Sr. Vice President - Quality Assurance	Other Employee	10,000	283.50	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 22, 2024
Place: Ooty

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

1. **Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year ending March 31, 2024**

   As at March 31, 2024, Strides' Board comprises of Seven Directors (Two Executive Directors & Five Non-Executive Directors).

   Remuneration of Non-Executive Directors (including Independent Directors) (NEDs) : 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 Companies Act, 2013 and SEBI 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. Accordingly, the ratio of remuneration and percentage increase in remuneration for NEDs is not disclosed. Remuneration of NEDs for FY24 is provided at Page no. 111 of the Corporate Governance Report.

   Remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and approved by the Shareholders of the Company.

   Median remuneration of Employees (calculated on total CTC) for the period under review is ~₹ 6,60,286 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 the financial year ended March 31, 2024, is as under:

Name of Director	Designation	Ratio of remuneration to median remuneration
Arun Kumar	Executive Chairperson & Managing Director	136
Badree Komandur	Executive Director - Finance & Group CFO	76

2. **Percentage increase in median remuneration of employees during the financial year ended March 31, 2024 was 12.41%.**

   Percentage increase in remuneration of Executive Directors, Chief Financial Officer, Company Secretary during the financial year ended March 31, 2024, is as under:

Name	Designation	Remarks
Arun Kumar	Executive Chairperson & Managing Director	50%
Badree Komandur	Executive Director - Finance & Group CFO	14.06%
Manjula Ramamurthy	Company Secretary	8.44%

3. **Company had 2,397 permanent employees (including union employees) on its rolls as at March 31, 2024 on a standalone basis.**

4. **Average percentile increase made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration.**

   Average percentage increase made in salaries of employees other than the managerial personnel in the last financial year was 6.26%.

   Average percentage increase made in salaries of managerial personnel in the last financial year was 24.17%.

   Based on the experience and the requirement of skills, remuneration paid to Managerial Personnel including Executive Directors, is considered moderate compared to the remuneration packages of managerial personnel in similar sized companies in the industry.

   Further, ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 4%.

5. **Key parameters for any variable component of remuneration received by the Directors**

The variable pay of Executive Directors is based on achievement of strategic, operational and financial outcomes as agreed with the Board of Directors of the Company.

The Nomination and Remuneration Committee and Board have absolute powers to determine the quantum of variable payout based on performance evaluation of the Directors, within the limits as approved by the shareholders of the Company.

Payment of Annual Commission to Non-Executive Directors is approved by the Board based on the annual performance of the Company, as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Company affirms that remuneration to the 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 22, 2024
Place: Ooty

Annexure 5

CORPORATE SOCIAL RESPONSIBILITY REPORT FY 2023-24

[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 the 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 Community welfare.

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

CSR Committee at Strides is a three member Committee, of which two are Independent Directors.

The Committee is Chaired by Dr. Kausalya Santhanam who is an Independent Director.

Details of meetings and attendance of members is provided hereunder:

#	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	2	2
2	Homi Rustam Khusrokhan	Member/ Independent Director	May 18, 2017	2	2
3	Arun Kumar	Member/ Executive Chairperson & Managing Director	May 23, 2014	2	2

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:

CSR Provisions mandates Impact Assessment for corporates having average CSR obligation of ₹ 10 Crores or more in the immediately preceding three financial years.

Considering the CSR Spend of Strides, the criteria for Impact Assessment is not applicable for Strides.

However, Strides has voluntarily carried out Impact Assessment for the projects undertaken during the last three financial years.

Assessment was carried through Social Audit Network, India (SAN India), which is the India Chapter of Social Audit Network, UK (SAN, UK). SAN (India) facilitates and supports the principles and practice of Social Accounting and Audit (SAA) framework of accountability, to help organizations in India effectively measure impact.

CSR programme objectives were evaluated on the REES framework, where R stands for Relevance, E stands for Effectiveness and E stands for Efficiency and S stands for Sustainability.

Strides has scored an overall rating of 9.2 out of 10; as compared to earlier rating of 8.6 during FY 2020 with the same agency.

Criteria and results of the assessment are as under:

Focus Area	Strides Objective	Result
Healthcare	To provide preventive, promotive and curative healthcare and hygiene facilities	Met
Education	To improve the quality of education and equip the students to be future ready through life skills and value education	Met
Employability	To provide necessary skills and education to needy, rural youth to be responsible citizens	Met
Community Support – Disaster Management	To respond to the disaster situation (Natural and pandemics)	Met

Further, as part of the impact assessment, SAN India also validated Strides' CSR goals to that of UN Sustainable Development Goals (UN SDG). The UN SDG is the blueprint to achieve a better and more sustainable future for all. They address the global challenges faced, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.

Upon consideration, it was derived that Strides' CSR goals aligns with 4 UN SDGs viz.,

UN SDG 1 - End poverty in all its form and everywhere;

UN SDG 4 - Quality education for all; and

UN SDG 3 - Ensure Healthcare and well-being for all at all ages;

UN SDG 6 - Ensure availability and sustainable management of water and sanitation for all.

5	(a)	Average net profit of the Company as per sub-section (5) of section 135:	23,31,69,201
	(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135:	46,63,384
	(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	11,22,073
	(e)	Total CSR obligation for the financial year [(b) + (c) - (d)].	35,41,311

6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	3,45,41,917
	(b)	Amount spent in Administrative Overheads:	2,33,169
	(c)	Amount spent on Impact Assessment, if applicable:	-
	(d)	Total amount spent for the Financial Year [(a) + (b) + (c)]	3,47,75,086

(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
3,47,75,086	-	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:	46,63,384
(ii)	Total amount spent for the Financial Year	3,47,75,086
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,01,11,702
(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)]	3,01,11,702

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 2020-21	-	-	-	-	NA	-	NA
2	FY 2021-22	-	-	-	-	NA	-	NA
3	FY 2022-23	-	-	-	-	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:

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
NA							

(All the fields should be captured as appeating 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 the CSR Committee
DIN: 06999168

Arun Kumar
Executive Chairperson
& Managing Director
DIN: 00084845

Date: May 22, 2024
Place: Ooty

Annexure 6

FORM AOC 2

Particles 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:** None

2) **Details of material contracts or arrangements or transactions at arms' length basis for the year ended March 31, 2024, 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, Sale of IPs, Sale of Assets, Guarantee Commission Income, Support Service Income, Purchase of Assets and Lease Payments	Ongoing	Based on Transfer Pricing guidelines	14,102.96	Appropriate approvals have been taken for the transactions	Nil
2	Strides Pharma UK Limited, UK	Wholly owned Subsidiary	Sale of Materials/ Services, Sale of IPs and Guarantee Commission Income	Ongoing	Based on Transfer Pricing guidelines	2,019.41	Appropriate approvals have been taken for the transactions	Nil
3	Mr. Aditya Arun Kumar	Son of Mr. Arun Kumar/ Promoter Director & KMP	To continue to hold an Office of Profit in the Company as Head – Business Development (B2B) and payment of remuneration	Effective April 1, 2023	Remuneration and other benefits as approved by the Shareholders of the Company through Postal Ballot on July 26, 2023.	7.50	May 25, 2023	Nil

Notes:

1) In relation to Item 1 and 2 above, figures excludes reimbursement of expenses incurred by/ incurred on behalf of related party (Refer Note 43 of the Standalone Financial Statements for details).

2) In relation to Item 3 above, figure excludes Variable Pay of ₹ 2.50 Million, which is subject to approval of Nomination & Remuneration Committee and Board of Directors of the Company.

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 22, 2024
Place: Ooty

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Strides Pharma Science Limited
CIN: L24230MH1990PLC057062

Regd. Office:
201, 'Devavrata', Sector 17
Vashi, Navi Mumbai – 400 703
Maharashtra

Corporate Office:
Strides House, Bilekahalli
Bannerghatta Road
Bengaluru – 560 076
Karnataka

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 the 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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, the 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 the 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, 2024, Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the 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 the 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 the 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 the Board were unanimous and there were no dissenting views by any Members of the Board during the period under review.

We further report that during the audit period:

1. Company has not issued any equity or preference shares/ debentures/ sweat equity except those equity shares issued to employees of the Company under applicable ESOP Plan and on account of conversion of equity warrants;
2. Company has not undertaken any foreign technical collaborations;
3. We further report that during the audit period the following major decisions were taken in the General meeting/ Postal ballot.
    - On July 26, 2023, Company received Members approval through Postal Ballot for holding of office/ place of profit by Mr. Aditya Arun Kumar including remuneration payable to him.
    - On August 28, 2023, at the 32nd Annual General Meeting (AGM), the Company received Members approval for:
        1. Adoption of Audited Financial Statements for the Financial Year ended March 31, 2023.
        2. Declaration of dividend for the financial year ended March 31, 2023.
        3. Re-appointment of Mr. Arun Kumar (retiring director) as Director of the Company.
        4. Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company for Financial Year ended March 31, 2023.
        5. Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company in the case of inadequacy of profit.
        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.
        7. Revision in remuneration of Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company.
        8. Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the Financial Year ended March 31, 2023.
    - Company initiated Postal Ballot Notice dated March 27, 2024 for seeking Members approval for appointment of Mr. Ameet P Hariani (DIN:

00087866) as Independent Director of the Company. The said resolution was approved by Members on April 27, 2024.

4. Other Key matters/ events

- The Board of Directors of the Company on August 2, 2023 have approved the Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013, between the Company and Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited) (Strides Alathur) with an appointed date of April 1, 2023 or such other date as the Hon'ble National Company Law Tribunal (NCLT) or such other competent authority may direct in relation to the amalgamation.

  In October 2023, NCLT provided dispensation from holding meetings of equity shareholders, secured creditors and unsecured creditors of the Company and Strides Alathur. However, NCLT directed to serve notice of Scheme upon creditors of the Strides Alathur and to the concerned regulatory authorities of both the companies, amongst others.

  Post completion of the above, the Company and Strides Alathur have filed a Petition with NCLT in December 2023 seeking approval for the Scheme. As at the date of this report, the Scheme is awaiting final approval from the NCLT.

- On September 25, 2023, Board of Directors of the Company approved the Scheme of Arrangement between Strides Pharma Science Limited (Strides), Stelis Biopharma Limited and Steriscience Specialties Private Limited with an Appointed Date of April 1, 2024.

  The Scheme is subject to approval from Stock Exchanges, SEBI, NCLT, Shareholders, Creditors, and other regulatory authorities.

  Upon the scheme becoming effective, the identified CDMO and Softgel business of Strides would be demerged from the books of Strides and will get merged with existing Stelis business.

  The consideration would be issued to the shareholders of Strides in the form of shares in Stelis Biopharma Limited (now known as OneSource Specialty Pharma Limited) with a consequential listing of Stelis in the Indian Stock Exchanges.

  The Scheme has already been filed with the BSE and National Stock Exchange for their approval.

- Recovery of excess remuneration - 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) of the Company.

  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 contained 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 decided to recover the joining bonus in accordance with the terms of employment. During the year, Company recovered significant portion of receivable from the Director and the balance receivable of ₹ 24.54 Million was recovered in April 2024.

For Gopalakrishnaraj H H & Associates
Company Secretaries
Sd/-

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/2020
UDIN: F005654F000412973

Place: Bengaluru
Date: 21/05/2024

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

Corporate Office:
Strides House, Bilekahalli
Bannerghatta Road
Bengaluru – 560 076
Karnataka

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 the correctness of contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the 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
Sd/-

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/2020
UDIN: F005654F000412973

Place: Bengaluru
Date: 21/05/2024

Particulars on Conservation of Energy, R&D, Technology Absorption and Foreign Exchange earnings/ outgo for FY24

(A) Conservation of Energy

(i) Steps taken and impact on conservation of energy

- 102,916 KL of waste water treated by Waste Water Treatment Plant and reused for garden/ lawn inside the plant premises across all sites in India.
- 31,808 KL of water recycled from steam condensate and reused for steam generation.
- 16,502 KL rainwater collected and recharged to improve ground water table in and around the plant.
- 5,395 sq. ft. of sun shield coating for terrace area completed to reduce air conditioning load.
- Motion senors installed for 130 Lighting fixtures in KRSG and Alathur sites to save energy by minimum 20% .

(ii) Steps taken by the Company for utilising alternative sources of energy

- 16,285 Tonne of CO2 emissions reduction achieved by utilisation of 23.15 million units Clean energy from solar power (In-house and Imported).
- 1.53 MW Roof top solar power panels were installed across three manufacturing sites (viz., KRSG, Puducherry & Chandapura) to harvest clean energy.

  21,61,837 kWh renewable energy generated from these in-house rooftop solar power panels.
- 44.5% of total power consumed across all locations is from clean energy sources (Inhouse and Imported).

  Of this 4.12% of total power consumed across the three locations (viz., KRSG, Puducherry & Chandapura) is from clean energy generated in-house.

(B) Technology absorption

i) Efforts made towards technology absorption are:

➢ **Oral Dosage Facility, KRSG, Bengaluru**

- 360-degree inspection system for Softgel capsules from Sensum Slovenia (first equipment in India to inspect all types of softgel capsules) is installed and qualified for improved compliance and throughput.
- Hi speed Cartonator with three Omron make robots from Japan is installed and qualified in sachet packaging operations for improved compliance in turn eliminating count errors and manual interventions.
- Gelatine Cooking Vessel with IPC based CFR 21 Part 11 complied vessel, is installed to have improved cycle time of gelatin manufacturing.

➢ **Oral Dosage facility – Chandapura, Bengaluru**

- Single rotary compression machine with interchangeable turrets of B and D turrets is installed to improve efficiency and compliance.

➢ **Oral Dosage facility – Alathur, Tamilnadu**

- Metal Detector is installed and qualified on container packaging line to detect and reject any metal contaminant.
- 360-degree inspection for Tablets and Hard Gelatine capsule installed and qualified for improved compliance and throughput.

ii) **In case of import technology (imported during the last year), the year of Import whether the technology has been fully absorbed.**

- **Oral Dosage Facility, KRSG, Bengaluru**
    - 360-degree inspection system for Softgel capsules from Sensum Slovenia (first eqpuipment in India to inspect all types of softgel capsules) is installed and qualified for improved compliance and throughput in the year 2023.
    - Hi speed Cartonator with 3 Omron make robots from Japan is installed and qualified in sachet packaging operations for improved compliance in turn eliminating count errors and manual interventions.

(C) Expenditure on R&D

(₹ in Million)

Particulars	March 31, 2024	March 31, 2023
Capital	124.69	185.34
Revenue	639.01	640.84
Total	**763.70**	**826.18**

(D) Total Foreign Exchange Earned and Used

(₹ in Million)

Particulars	March 31, 2024
Foreign exchange earned in terms of actual inflows	17,962.65
Foreign exchange outgo in terms of actual outflows	3,069.20

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson &
Managing Director
DIN: 00084845

Date: May 22, 2024
Place: Ooty

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 (**Report**) for the financial year ended March 31, 2024.

1. Corporate Governance at Strides

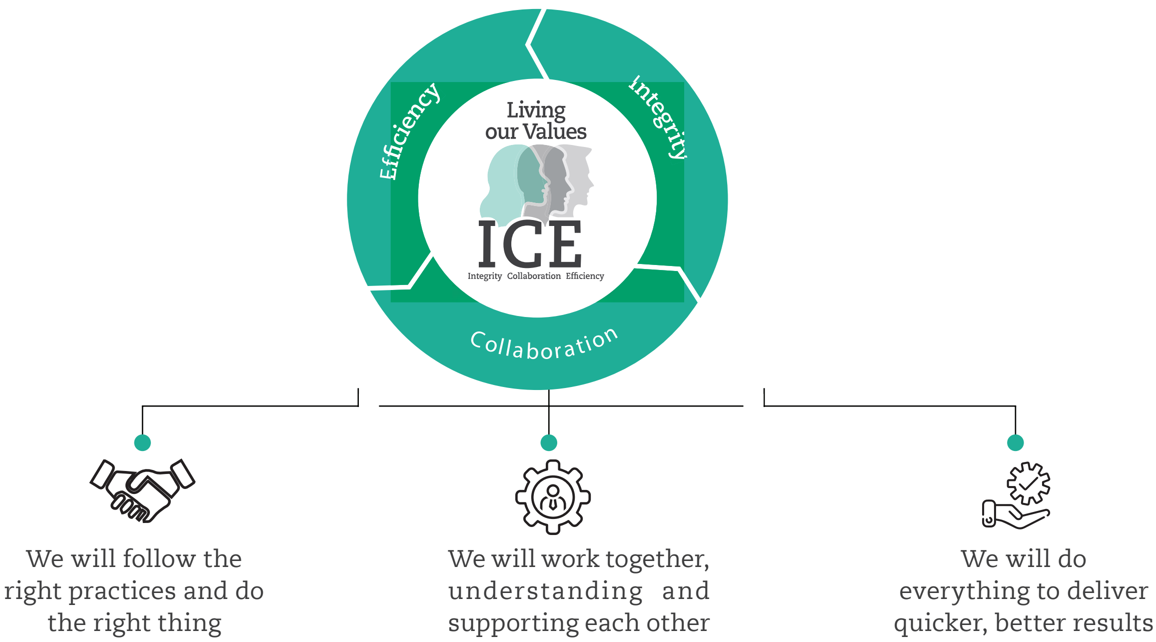
At Strides, we are committed to upholding the highest Corporate Governance standards.

As we navigate the ever-changing landscape of our industry, our core values remain a guiding light, reflecting who we are and how we work together.

We have refined our core values from **Integrity, Collaboration and Efficiency to Integrity, Competency and Efficiency (ICE).**

The change from **"Collaboration"** to **"Competency"** is a strategic intent aimed at building relevant capabilities within the organization. This value embodies our commitment to continuous learning, skill development, and expertise in our respective roles that facilitates us to contribute meaningfully to our collective goals.

This evolution in our core values is a natural progression to building a stronger, more resilient organization capable to meeting any challenge that lies ahead.



We strive to maintain our position as one of the leading Indian pharmaceutical company with an excellent reputation for Quality, and Integrity which remains our governing principle in all aspects of our everyday conduct. We adhere to ethical practices and maintain transparency in our conduct, fostering a culture of trust and integrity in the organization.

As a global and multidisciplinary organization, we aim to capitalize on the strength of Competency. This value embodies our commitment to continuous learning, skill development and expertise in our respective roles that facilitates us to contribute meaningfully to our collective goals.

Our third core value, Efficiency, emphasizes the importance of getting it right first and maximizing our resources to achieve the greatest results. We are agile and collaborative to deliver quicker and better 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.

Executive Directors of the Company are appointed for a specified period. These directors are liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company at the Annual General Meeting (**AGM**).

Independent Directors (**ID**) are appointed for a two consecutive term not exceeding five years each. In terms of the Companies Act, 2013, IDs are not liable to retire by rotation.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

Strides has the adequate mix of Executive and Independent Directors and has opted to maintain a target share of Independent Directors (ID) at 60% of the total Board size.

2.1. Board Composition

Strides Board is well diversified, single tier board 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 is in compliance with the provisions of the Companies Act, 2013 (**Act**) and Listing Regulations with regard to composition of the Board.

As at the date of this Report, Strides' Board comprises of Seven Directors – Two Executive Directors and Five Independent Directors (including one Independent Woman Director). There is no inter-se relationship between the Board members.

Detailed profile of Strides directors is available on the Company's website at https://www.strides.com/corporate-board.html.

Board Composition as at May 22, 2024 is as under:

Name of the Director & Director Identification Number (DIN)	Age (in yrs)	Category	Date of Initial Appointment	Effective Date of appointment in in the current tenure	Term of Directorship	Tenure in Strides (in years)	Share-holding in Strides
Arun Kumar DIN: 00084845	63	Executive Chairperson, Managing Director and Promoter Director	June 28, 1990	April 7, 2022	Three years effective April 7, 2022	~34	2,09,55,611* (22.80%)
Dr. Kausalya Santhanam DIN: 06999168	57	Independent Director	December 11, 2019	December 11, 2019	First term of five years effective December 11, 2019	4	2,203** (~0.0024%)
S Sridhar DIN: 00004272	73	Independent Director	July 27, 2012	July 30, 2019	Second term of five years effective July 30, 2019	~12	48,750 (~0.05%)
Bharat Shah DIN: 00136969	77	Independent Director	July 25, 2014	June 15, 2021	Second term of three years effective June 15, 2021	~10	76,424 (~0.08%)
Homi Khusrokhan DIN: 00005085	80	Independent Director	May 18, 2017	May 18, 2022	Second term of five years effective May 18, 2022	~7	-
Ameet Hariani DIN: 00087866	63	Independent Director	February 1, 2024	February 1, 2024	First term of five years effective Feb 1, 2024	-	-
Badree Komandur DIN: 07803242	53	Executive Director – Finance & Group CFO	May 18, 2017	May 18, 2023	Three years effective May 18, 2023	~7	25,000 (~0.03%)

* Includes shares held through body corporates.

** Of this 1,000 shares are held by Dr. Kausalya jointly with her spouse.

Board Composition at Strides vs Regulatory Requirement as at the date of this Report is as under:

	Board Size	Independence	Board Tenure (Avg)	Board Age (Avg)	No. of Women Independent Directors
Reg Requirement	6	50%	Not defined	Not defined	1
At Strides	7	71%	~10 yrs	~67 yrs	1

Other Directorships held by Strides' Directors as at March 31, 2024

Name	Total Directorships* (including Strides)	No. of Chairmanship in Board Committees (including Strides)	No. of Membership in Board Committees (including Strides)	Directorship in Other Listed Companies
Arun Kumar	4	0	1	a) Solara Active Pharma Sciences Limited - Non-Executive Director
Dr. Kausalya Santhanam	3	1	4	a) Sequent Scientific Limited - Independent Director b) Solara Active Pharma Sciences Limited - Independent Director
S Sridhar	11	5	7	a) Shriram Finance Limited - Independent Director b) Go Fashion (India) Limited - Independent Director and Chairperson
Bharat Shah	5	2	4	a) 3M India Limited - Non-Executive Independent Director & Chairman b) Exide Industries Limited - Non-Executive Independent Director & Chairman
Homi Khusrokhan	2	2	3	a) Neuland Laboratories Limited - Independent Director
Ameet Hariani	11	3	10	a) Aptech Limited - Non-Executive Independent Director b) Mahindra Logistics Limited - Independent Non-Executive Director c) Mahindra Lifespace Developers Limited - Non-Executive Independent Director & Chairman d) Batliboi Limited - Independent Non-Executive Director e) Ras Resorts and Apart Hotels Limited - Independent Non-Executive Director
Badree Komandur	1	0	0	Nil

NOTES:

1. **While considering the total number of Directorships**

   Following are included:

   - Directorship in Public Companies,
   - Private Companies and
   - Alternate Directorships (including Nominee Directorship)

   Following are excluded

   - Directorship in Foreign Companies and
   - Section 8 Companies, if any.

2. **Committee Membership/ Chairperson of Committees –** we have considered only the Audit Committee and Stakeholders' Relationship Committee.

   Further, Committee membership in public limited companies (whether listed or not) are considered for this purpose.

   All other companies including private limited companies, foreign companies and companies under Section 8 of the Act, are excluded.
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. None of the Directors are related to any other Director.
6. None of the Directors are holding any convertible securities of the Company.

Other Directorships and Committee Members of Strides' Directors vs. Regulatory Requirement is as under:

	No. of Directorships including Strides	Chairman in Board Committees including Strides	Member in Board Committees including Strides	Directorship in Listed entities including Strides
Reg Requirement	20	5	10	7
Strides' Directors	~5	~2	~4	~3

2.1.1 Changes in Board Composition during FY24 and till the date of this Report

1. **Mr. Arun Kumar retired by rotation and was re-appointed as Director**

   In terms of Section 152 of the Act, Mr. Arun Kumar retired by rotation and being eligible was reappointed as Director of the Company at the Annual General Meeting held on August 28, 2023.
2. **Re-appointment of Mr. Badree Komandur, Executive Director – Finance and Group Chief Financial Officer (CFO) for a third term of three years**

   Mr. Badree Komandur was re-appointed as a Whole-time Director designated as Executive Director - Finance & Group CFO 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.
3. **Appointment of Mr. Ameet Hariani as Independent Director**

   Mr. Ameet Hariani (DIN: 00087866) was appointed as Independent Director of the Company effective February 1, 2024 for an initial term of five years.

   Approval of Shareholders of the Company was received through Postal ballot on April 27, 2024.

2.1.2 Retirement by Rotation and Re-appointment at the ensuing AGM

In terms of Section 152 of the Act, proposal for re-appointment of Mr. Badree Komandur, retiring director, as Director shall be placed before Shareholders at the ensuing AGM. Your Directors recommend his re-appointment.

A detailed profile of Mr. Badree Komandur 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 33rd AGM of the Company.

2.1.3 Retiring Directors during FY25

Shareholders to note the following:

1) Mr. Bharat Shah shall be retiring from the Board upon completion of his second and final term of office as Independent Director on June 14, 2024;
2) Mr. S Sridhar shall be retiring from the Board upon completion of his second and final term of office as Independent Director on July 30, 2024.

2.1.4 Changes in Board composition effective June 1, 2024

Board of Directors of the Company in their meeting held on May 22, 2024, approved the following changes to Board composition, which shall be effective June 1, 2024:

- Appointment of Mr. Subir Chakraborty as Independent Director of the Company for a period of five years, not liable to retire by rotation;
- Mr. Arun Kumar transitioning his role as Managing Director & Group CEO to Mr. Badree Komandur, while continuing as Executive Chairperson of the Board;
- Mr. Badree Komandur elevated as the Managing Director & Group CEO for a period of three years,

liable to retire by rotation. Consequent to the said elevation, Badree transitioned his roles of Group CFO, Group CHRO, Chief Investor Relations Officer (CIRO) & Sustainability Officer to other leaders in the organization; and

- Mr. Aditya Arun Kumar appointed as the Executive Director – Business Development for a period of three years, liable to retire by rotation.

  Consequent to the above, Strides Board shall have three Executive Directors and Four Independent Directors, which shall be in compliance with applicable regulatory provisions under the Act and Listing Regulations.

  Approval of shareholders of the Company by way of Postal Ballot for the above appointments shall be sought during June 2024. Results of the Ballot is expected to be available by end of July 2024.

2.2 Board Skill Matrix - 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.

Table below summarizes 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
Pharma Business	Expertise on pharma business matters and regulations including healthcare systems, competitive business landscape, regulated & emerging business opportunities & risks and strong understanding of emerging local and global trends.
Leadership experience of running large enterprise	Understanding of organizational systems & processes, strategic planning & risk management, management of accountability & performance, with successful multinational operations in manufacturing, international business, scientific research and development, senior level government experience and academic background. Experience and understanding of governmental and regulatory policies, process, media and external stakeholders.
Managerial Experience	Knowledge and skills in accounting and finance, business judgment, 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, overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact.
Experience of crafting Business Strategies	Experience in developing long-term/ short-term strategies to grow business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.
Understanding use of Digital/ Information Technology	Understanding the use of digital/ Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organization. Experience in oversight of IT projects in large organizations.
Governance, Risk and Compliance	Understanding of the governance principles, Board accountability, internal control and regulatory environment, risk management including ESG related risks in a large complex organization and emerging local and global trends.
Personal Values	Personal characteristics matching the Company's values viz., Integrity, Competency and Efficiency.
ESG	Understanding of diverse and global sustainability and ESG practices and the ability to align them with the Company's growth strategy. Experience of leading developmental initiatives that have had significant societal impact.

Mapping of Directors' skills/ expertise/ competence in line with the above criteria

Area of Expertise	Arun	Dr. Kausalya	Sridhar	Bharat	Homi	Ameet	Badree
Pharma Business	√	√	×	×	√	×	√
Leadership experience of running large enterprise	√	√	√	√	√	√	√
Managerial Experience	√	×	√	√	√	√	√
Experience of crafting Business Strategies	√	√	√	√	√	√	√
Understanding use of Digital/ Information Technology	√	×	√	√	√	×	√
Governance, Risk and Compliance	√	√	√	√	√	√	√
Personal Values	√	√	√	√	√	√	√
ESG	√	×	√	√	√	√	√

2.3 Induction and Familiarization program for Board Members

Strides has a familiarization/ orientation program for induction of its Directors, which aims to provide insights about the Company and its business operations. The program is customized to suit Director's individual interests and areas of expertise.

On being appointed to the Board, each Director undergoes a comprehensive orientation process and are provided with induction kit which interalia includes business profile & group structure of the Company, Board and other Board Committees 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/ minimization 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 familiarization programme for NEDs and details of familiarization programs imparted to such directors is available on the website of the Company and link to the same is available in Page 132.

2.4 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 Securities and Exchange Board of India (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, 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, independence of Committee from Board, 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 FY24 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.

2.5 Nomination and Remuneration Policy

Company has formulated a Nomination and Remuneration Policy for the Board of Directors including Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and other employees of the Company, which is uploaded on the website of the Company. Link to the Policy is available in Page 132.

The said Policy interalia covers criteria for appointment and remuneration of Directors, KMP and SMP including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Act.

2.6 Details of Remuneration paid to Directors

2.6.1 Remuneration to Non-Executive Directors (NEDs) (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, if any.

Details of Sitting Fees and Commission paid/ payable to NEDs for FY24 is as under:

Name	Sitting Fees (₹)	Commission (₹)	Total Compensation (₹)
Dr Kausalya Santhanam	20,00,000	20,00,000	40,00,000
S Sridhar	20,00,000	20,00,000	40,00,000
Bharat Shah	20,00,000	20,00,000	40,00,000
Homi Rustam Khusrokhan	20,00,000	20,00,000	40,00,000
Ameet Hariani *	4,00,000	4,00,000	8,00,000
Total	**84,00,000**	**84,00,000**	**1,68,00,000**

*Sitting Fees and Commission paid in proportion to the period of Office held by Ameet

2.6.2 Details of Remuneration paid to Independent Directors on the Board of Material Subsidiaries during FY24

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 FY24 is as under:

Name of the entity	Total Amount paid for FY24
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/-**

2.6.3 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 to Executive Directors in FY24 is as under:

Name of the Director	Gross Salary*	Performance linked payout**	Total	Performance Criteria
Arun Kumar	₹ 6.00 Cr	₹ 6.00 Cr	₹ 12.00 Cr	Upon achievement of quantitative and qualitative outcomes as agreed with NRC and Board.
Other Benefits provided are	• 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			
Badree	₹ 3.65 Cr	₹ 75 Lakhs	₹ 4.40 Cr	Upon achievement of strategic, operational and financial outcomes as agreed with the Board.
Other Benefits provided are	• 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; and • Chauffer driven car for use on Company's business.			

* Gross Salary includes Company's contribution to PF

** Performance payout relates to FY23 paid in FY24. Performance payout relating to FY24 will be considered in FY25.

2.6.4 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 Director & Company) may terminate this arrangement without assigning any cause, by giving the other party a written notice of three months in advance.

Service Contract may undergo some changes pursuant to the Executive Directors assuming new roles during FY25.

Severance fees

As per the terms of appointment of Mr. Arun Kumar and Mr. Badree Komandur, there is no severance fees payable to them.

2.6.5 Details of stock options held by Directors

As at the date of this report, none of the Directors of the Company hold any stock options of the Company.

3. Senior Management Personnel of the Company

Senior Management Personnel (SMP) of the Company are identified as Members of core management team (excluding the Board of Directors), One level below the CEO/ MD and specifically includes functional heads of the Company.

SMP of Strides during FY24 are as under:

#	Name	Designation	Remarks
1	Ramaraju PVS	Chief Operating Officer	Appointed effective March 1, 2024
2	Umesh Kale	Chief of Quality Services	
3	Swamy K N	Head of Global Analytical - Development & Services	
4	Dr. Anil Kumar R	Head of R&D Services	
5	Aditya Kumar	Head of B2B Business Development	
6	Bharathi R	Head of Global Procurement	
7	Sormistha Ghosh	Head of Legal & Secretarial	
8	Amit Gupta	Head of Taxation	
9	Ramesh RJ	Head of Treasury	
10	Christoph Funke	Chief Operating Officer	Exited the Company on February 29, 2024.
11	Vikesh Kumar	CFO – B2C Business	Re-located to Strides Pharma Inc, USA effective September 1, 2023
12	Ankit Gupta	VP & Head of Corporate Development & Strategy	Exited the Company on August 31, 2023.

4. 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 (except Audit Committee) 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.

4.1 Board Meetings held during the year

During FY24, Board met eleven (11) times on the following dates:

1. April 22, 2023
2. May 24, 2023
3. May 25, 2023
4. August 2, 2023
5. September 7, 2023
6. September 25, 2023
7. October 30, 2023
8. November 30, 2023
9. January 30, 2024
10. February 19, 2024
11. March 27, 2024

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.

4.2 Attendance of Board Members at the Board Meetings held during the FY24

Name of the Director	Category	No. of Meetings held during their tenure	No. of Meetings attended	% of meetings attended
Arun Kumar	ED	11	10	~91%
Badree Komandur	ED	11	11	100%
Dr. Kausalya Santhanam	ID	11	11	100%
S Sridhar	ID	11	11	100%
Bharat Shah	ID	11	11	100%
Homi Rustam Khusrokhan	ID	11	11	100%
Ameet Hariani*	ID	2	2	100%

* Ameet Hariani was appointed as Independent Director of the Company effective February 1, 2024.

4.3 Meeting of Independent Directors

Independent Directors of the Company met on May 25, 2023, to inter-alia discuss and evaluate the performance of all Board Members, the Board as a whole and its various Committees and performance of the Chairperson of the Board.

4.4 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 (NRC);
3. Stakeholders' Relationship Committee (SHR Committee);
4. Corporate Social Responsibility Committee (CSR Committee); and
5. Risk Management Committee (RMC)

Board has also constituted a non-statutory committee titled "Management Committee (MC)". This Committee primarily considers matters that may be delegated by the Board of Directors under Section 179 of the Act and other delegable matters for administrative convenience.

The Committee comprises of two Independent Directors and an Executive Director. Chairperson of the Committee shall be appointed on a rotation basis amongst the IDs.

The Committee meets at such intervals based on needs of the Company.

4.5 Composition of Board Committees

Composition of Board Committees as at March 31, 2024 is as under:

Name	Audit Committee	NR Committee	SHR Committee	CSR Committee	RM Committee	Management Committee
Arun Kumar	-	-	Member	Member	-	-
Dr. Kausalya Santhanam	Member	Member	-	Chairperson	Member	Member
S Sridhar	Chairperson	Member	Member	-	Member	Member
Bharat Shah	Member	Chairperson	Chairperson	-	Member	-
Homi Khusrokhan	Member	Member	-	Member	Chairperson	-
Ameet Hariani	Member	Member	Member	-	Member	-
Badree Komandur	-	-	-	-	Member	Member

Notes:

1) Details of the Management members are not included in the RM Committee composition above.
2) Mr. Ameet Hariani was appointed as Independent Director of the Company with effect from February 1, 2024 and was inducted as a member to the Audit Committee, NR Committee, SHR Committee and RM Committee effective February 1, 2024.

3) One of the Independent Directors who are members of the Management Committee are appointed as Chairperson of the meeting on rotation basis.

Status of Committee Composition at Strides vs. Regulatory Requirement

	Audit Committee	NR Committee	SHR Committee	CSR Committee	RM Committee
Regulatory Requirement	Min 3 Directors with at least 2/3 of them being ID	Min 3 Directors; and all Directors shall be NEDs with 2/3 being IDs	Min 3 Directors – with atleast one ID	Min 3 Directors – with atleast one ID	Min 3 members including Management Team, with majority of them being board members, incl. one ID
Committee Composition at Strides	**5 Members – all of them are IDs**	**5 Members – all of them are IDs**	**4 Members - with 3 IDs**	**3 Members - with 2 IDs**	**9 Members - with 5 IDs**

4.6 Charter of Board Committees and Meetings held

4.6.1 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 FY24, Audit Committee met nine (9) times on the following dates:

1. May 25, 2023
2. August 2, 2023
3. September 7, 2023
4. September 25, 2023
5. October 30, 2023
6. November 30, 2023
7. January 30, 2024
8. February 19, 2024
9. March 27, 2024

Requisite quorum was present for all the meetings.

4.6.2 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 FY24, NRC met four (4) times on the following dates:

1. May 25, 2023
2. September 2, 2023
3. October 30, 2023
4. January 29, 2024

Requisite quorum was present for all the meetings.

4.6.3 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 FY24, SHR Committee met four (4) times on the following dates:

1. May 25, 2023
2. August 2, 2023
3. October 30, 2023
4. January 29, 2024

Requisite quorum was present for all the meetings.

4.6.4 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 FY24, CSR Committee met two (2) times on the following dates:

1. May 25, 2023
2. January 29, 2024

Requisite quorum was present for all the meetings.

4.6.5 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 utilize 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 FY24, RMC met two (2) times on the following dates:

1. July 6, 2023
2. November 30, 2023

Requisite quorum was present for all the meetings.

Summary of Directors' time commitments at Board and Committees meetings held during FY24

Particulars	Board	Audit Committee	NR Committee	SHR Committee	CSR Committee	RM Committee	% Attendance
No. of meetings held	11	9	4	4	2	2	
Members' Attendance							
Arun Kumar	10	-	-	4	2	-	~94%
Dr. Kausalya Santhanam	11	9	4	-	2	2	100%
S Sridhar	11	9	4	4	-	2	100%
Bharat Shah	11	9	4	4	-	2	100%
Homi Khusrokhan	11	9	4	-	2	2	100%
Ameet Hariani	2	2	-	-	-	-	100%
Badree Komandur	11	-	-	-	-	2	100%

Notes:

1) RM Committee – Management Members attendance is not mapped above
2) Mr. Ameet Hariani was appointed as Independent Director of the Company with effect from February 1, 2024 and was inducted as a member to the Audit Committee, NR Committee, SHR Committee and RM Committee effective February 1, 2024.
3) In terms of the NRC Policy, Directors of the Company are mandated to attend majority of the meetings with at-least 75% attendance, through VC Meeting/ In Person meeting.

5. 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.

5.1 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.

Coordinates of the Company and RTA is provided at the end of this Report.

5.2 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, amongst others are filed electronically on NSE Electronic Application Processing System (NeAPS)/ Digital Exchange portal and BSE Corporate Compliance and Listing Centre.

e) **SEBI Complaints Redress System (SCORES)/ Online Dispute Resolution (ODR) portal**

Investors' complaints are also being processed through centralized web-based complaint redressal system of SEBI (SCORES). SCORES enables speedy and effective resolution of complaints filed therein.

In case any Investor is still not satisfied with the outcome of the resolution, they can initiate dispute resolution through ODR portal. The ODR portal has the necessary features and facilities to, inter alia, enroll the investor to file the compliant/ dispute. Your Company has done necessary enrolment on the ODR portal.

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.

Printed copy of Annual Report is also sent 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.

h) **Green Initiative**

During FY24, the Company had sent various communications by email to those shareholders whose email addresses were registered with the Company/ Depositories.

In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, without any delay.

5.3. General Body Meetings and Postal Ballot

5.3.1 Annual General Meeting

The Thirty Second Annual General Meeting (AGM) of the Company was held on Monday, August 28, 2023 at 12:30 hours IST through Video Conferencing/ Other Audio-Visual Means.

Meeting was attended by all the Directors of the Company.

5.3.2 General Meetings and Tribunal Convened Meetings held during the preceding three years through Video Conference – deemed venue being registered of the Company at Vashi, Navi Mumbai.

AGM/ EGM	Date/ Time	Special Resolutions passed
AGM for FY ended 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; and 2) Issuance of Equity Warrants on Preferential Basis.
AGM for FY ended 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.
AGM for FY ended March 31, 2023	August 28, 2023 at 12:30 hours IST	1) Payment of Variable Pay to Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company for the Financial Year ended March 31, 2023; and 2) Revision in remuneration of Mr. Arun Kumar, Executive Chairperson and Managing Director of the Company.

5.3.3 Postal Ballot/ E-voting

During FY24 and upto the date of this report, the Company conducted one Postal Ballot to seek approval of Shareholders through a Special Resolution for appointment of Mr. Ameet P Hariani (DIN: 00087866) as Independent Director of the Company, effective February 1, 2024.

Mr. Gigi Joseph K J (ICSI Membership No: F6483 and CP: 5576), Practicing Company Secretary of M/s Joseph & Chacko LLP, Company Secretaries, Bengaluru was appointed as Scrutinizer for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

Notice of Postal Ballot was dated March 27, 2024 and the results of the same was announced on April 30, 2024.

5.3.4 Details of special resolution proposed to be conducted through upcoming Postal Ballot

It is proposed to seek Shareholders' approval by way of Postal Ballot during June 2024, by way of Special Resolution for following Director appointments:

i. Appointment of Mr. Subir Chakraborty (DIN:00130864) as "Independent Director" of the Company, not liable to retire by rotation for a term of five years, effective June 1, 2024;

ii. Appointment of Mr. Badree Komandur (DIN: 07803242) as "Managing Director and Group Chief Executive Officer" of the Company, liable to retire by rotation for a term of three years, effective June 1, 2024; and

iii. Appointment of Mr. Aditya Arun Kumar (DIN: 06999081) as "Executive Director – Business Development" of the Company, liable to retire by rotation for a term of three years, effective June 1, 2024.

We expect the results of the Ballot to be available by end of July 2024.

5.3.5 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. Ameet P Hariani (DIN: 00087866) as Independent Director of the Company.	April 27, 2024	5,74,07,526	5,68,31,979 (98.99%)	5,75,547 (1.01%)

Special Resolution was passed with requisite majority.

5.3.6 Procedure adopted by the Company for Postal Ballots during FY24

Postal Ballots were carried out as per the provisions of Section 110 and other applicable provisions of the Act, read with the Rules framed thereunder, Regulation 44 of the 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, General Circular No. 11/ 2022 dated December 28, 2022 and General Circular. 09/ 2023 dated September 25, 2023 (MCA 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 along with Explanatory Statement, 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.

Scrutinizer, 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/ authorized 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.

5.4 General Shareholders Information

Annual General Meeting (AGM) – FY24

Day and Date	Wednesday, September 25, 2024
Time	11:00 hours IST
Venue	By Video conference/ other audio-visual means.
Time period for remote e-voting	• Starts from 09:00 hours IST on Friday, September 20, 2024; and • Ends on Tuesday, September 24, 2024 at 17:00 hours IST.

5.5 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 FY25 is as under:

Quarter ending	Release of Results
For the quarter ending June 30, 2024	July/ August 2024
For the quarter and half year ending September 30, 2024	October/ November 2024
For the quarter and nine months ending December 31, 2024	January/ February 2025
For the year ending March 31, 2025	May 2025

In line with the Listing Regulations, Company shall disseminate relevant intimations/ disclosures to the Stock Exchanges before and after the meetings.

5.6 Dividend

Board of Directors of the Company in their meeting held on May 22, 2024 have recommended a Final Dividend of ₹ 2.50/- per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2024.

Dividend is subject to approval of Shareholders of the Company at the ensuing Annual General Meeting and deduction of income tax at source.

Dividend if approved by the Shareholders, would be paid within 30 days from the date of AGM to those Shareholders whose name appear in the Register of Members as on the Record Date mentioned in the Notice convening the AGM.

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 shall be made available on the Company's website

https://www.strides.com/shareholder_services.html.

Payment of Dividend in electronic mode

Payment of Dividend shall be made through electronic mode to those Shareholders whose names appear in the Register of Members as on the Record Date mentioned in the Notice convening the AGM.

Shareholders holding securities in physical form

SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that effective April 1, 2024, dividend in respect of physical folios shall be paid only through electronic mode.

Accordingly, security holders holding securities in physical form are mandated to update their folios with their KYC documents viz., PAN, Contact Details, Mobile Number, Bank Account details etc.

Failing which such security holders shall not be eligible for any payment including dividend, interest or redemption in respect of such folios through electronic mode.

Upon updation of the requisite details in entirety, security holders shall be eligible to receive all the dividends declared during that period (from April 01, 2024, till date of updation) pertaining to the securities held after the said updation.

SEBI has issued FAQs in this matter which is available on their website at the following link for investor awareness:

https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

Shareholders holding securities in electronic form

Shareholders are requested to register and update their bank details with their Depository Participants to enable credit of dividend to their bank accounts directly.

Shareholders are also requested to update/ register their email address and mobile numbers with their depository participants as part of KYC updation.

5.7 Unclaimed Shares Suspense Account

Pursuant to Regulation 39(4) of Listing Regulations read with Schedule VI of the said Regulations, Company has dematerialized the shares which had returned undelivered by postal authorities and lying unclaimed with the Company.

The dematerialized 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	1,040	65,394
Shareholders who approached the Company for transfer of shares from suspense account during the year	5	473
Shareholders to whom shares were transferred from the suspense account during the year	4	361
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, 2024	1,036	65,033

5.8 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.

5.8.1 Transfer of Dividend and Shares to IEPF during FY24

Details of transfer of Dividend and Shares to IEPF during FY24 is as under:

FY	Type of Dividend	Dividend declared on	Amount transferred to IEPF (in ₹)	No. of shares transferred to IEPF
2015-16	Final	July 29, 2016	14,02,980.00	33,363

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/content/iepf/global/master/Home/Notifications/rules.html.

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

5.8.2 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, 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
March 31, 2023	Final	15%	Aug 28, 2023	Oct 3, 2030

Company has uploaded details of unpaid/ unclaimed amounts lying with the Company and shares that are transferred to IEPF as at March 31, 2024 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.

5.9 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 dematerialize their shares.

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

Withdrawal of the requirement of Freezing of Folios

SEBI vide its Circular SEBI/ HO/ MIRSD/ POD-1/ P/ CIR/2023/181 dated November 17, 2023 has done away with the requirement of freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/ or Prevention of Money Laundering Act, 2002.

General Information to Members for KYC updation:

Shareholders holding shares in electronic form and who have not updated their PAN are the requested to submit the details to their depository participant(s).

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 Registrar and Transfer Agents M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) at their earliest convenience:

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/isrforms.aspx

Issue/ Transfer of shares in demat mode

In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized 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 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 dematerializing 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.

5.10 Details of Investor complaints received and resolved during the financial year ended March 31, 2024 are given below:

#	Particulars	No. of complaints
1	Investor complaints pending at the beginning of the year	-
2	Investor complaints received during the year	16
3	Investor complaints disposed of during the year	16
4	Investor complaints remaining unresolved at the end of the year	-

6. 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	National Stock Exchange of India Limited
Stock Code/ Scrip Code: 532531	**Stock Code/ Symbol: 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

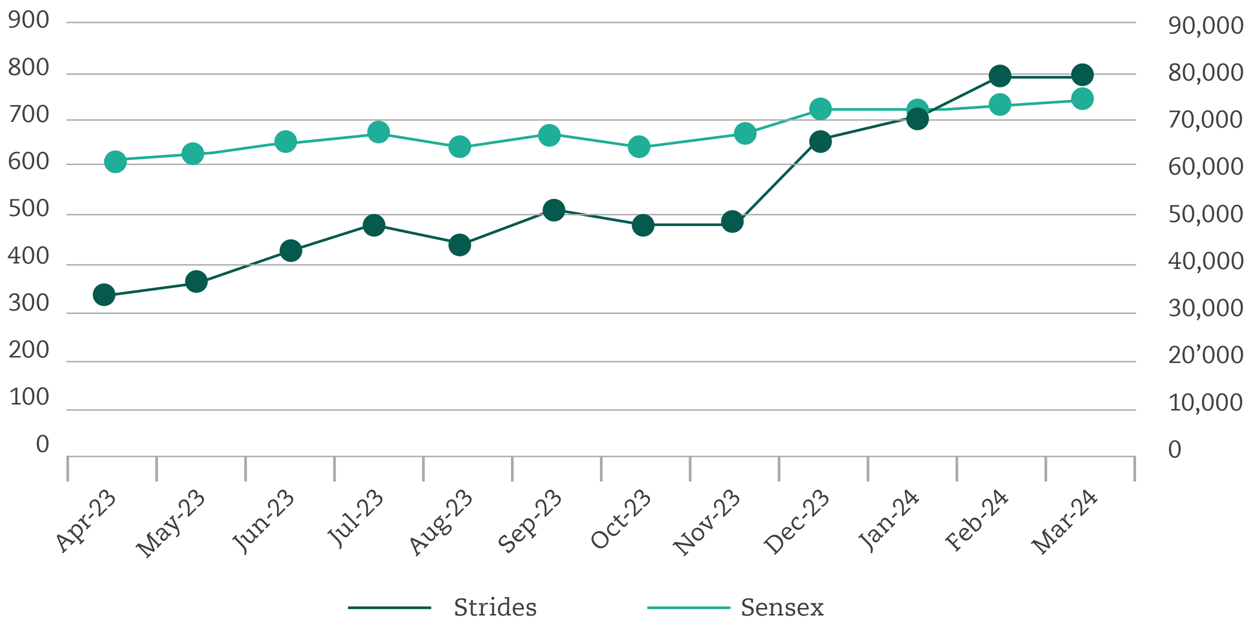
7. Market Price Data

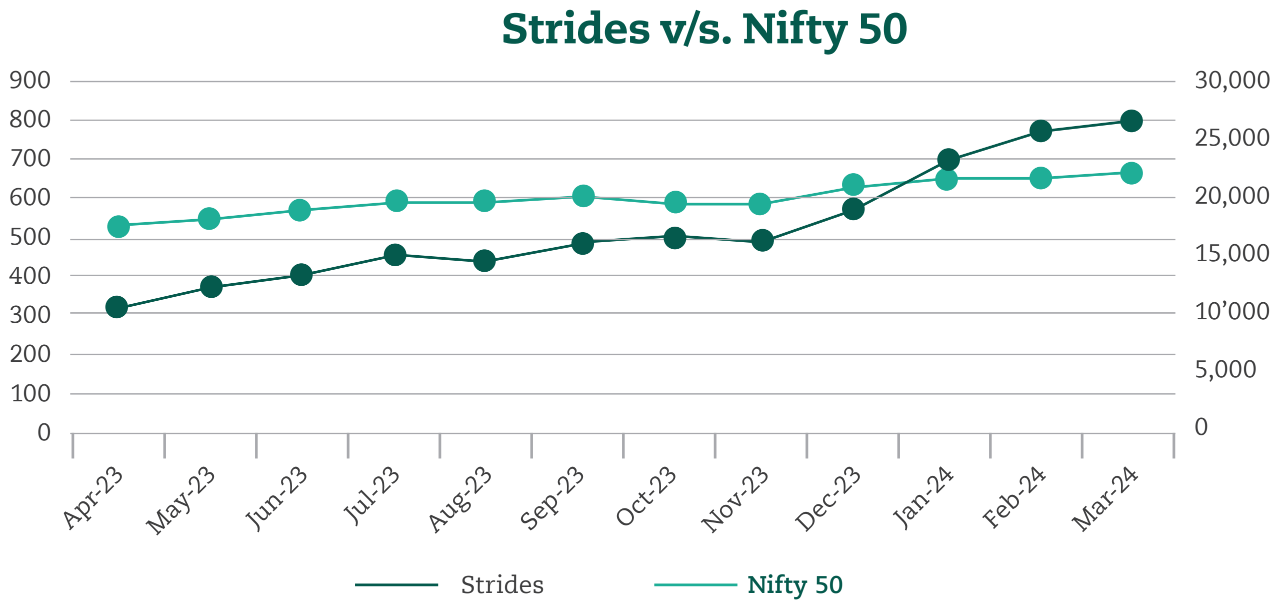
Market price data of the Equity Shares of the Company at BSE and NSE for the period under review is as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2023	343.25	287.90	2,53,469	343.00	287.40	52,61,624
May, 2023	390.00	330.35	9,46,487	390.65	330.00	1,60,49,672
June, 2023	441.20	353.50	13,54,467	441.50	353.20	2,32,53,581
July, 2023	486.80	432.00	10,41,943	487.50	431.80	1,84,44,634
August, 2023	488.85	412.45	6,44,431	489.00	412.10	97,17,283
September, 2023	549.00	433.80	13,09,392	549.00	433.70	2,27,70,436
October, 2023	528.25	469.95	30,74,029	528.30	469.35	1,02,74,303
November, 2023	512.00	467.40	13,42,325	512.30	467.00	72,62,061
December, 2023	665.10	482.50	14,66,999	665.00	482.00	2,51,82,315
January, 2024	735.20	644.50	36,60,659	736.00	643.80	2,11,27,105
February, 2024	838.10	685.20	18,23,645	838.60	688.00	1,54,31,450
March, 2024	834.00	720.10	3,75,587	834.60	725.00	65,64,388

8. Performance of Strides Pharma Science Limited Share Price to Broad Based Index such as BSE Sensex and NSE Nifty are given below

Strides v/s. Sensex





9. Distribution of Shareholding as at March 31, 2024

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount	% of Amount
1 – 5,000	80,426	94.96	50,34,705	5,03,47,050	5.48
5,001 – 10,000	1,985	2.34	15,18,566	1,51,85,660	1.65
10,001 – 20,000	982	1.16	14,38,494	1,43,84,940	1.57
20,001 – 30,000	363	0.43	9,23,535	92,35,350	1.00
30,001 – 40,000	165	0.19	5,90,124	59,01,240	0.64
40,001 – 50,000	133	0.16	6,18,487	61,84,870	0.67
50,001 – 1,00,000	250	0.30	18,42,750	1,84,27,500	2.01
1,00,001 and above	391	0.46	7,99,33,053	79,93,30,530	86.98
TOTAL	**84,695**	**100**	**9,18,99,714**	**91,89,97,140**	**100.00**

10. Shareholding Pattern as at March 31, 2024

# Category	No. of shares held	% to total shareholding
1. Indian Promoters/ Promoter Group	2,37,81,543	25.88
Institutions - Domestic		
2. Mutual Funds	97,11,992	10.57
3. Banks/ Indian Financial Institutions	9,025	0.01
4. Insurance companies	53,04,732	5.77
5. Sovereign Wealth funds	3,50,391	0.38
6. Shareholding by Companies or Bodies Corporate where Central / State Government is a shareholder	8,125	0.01
7. NBFCs and Alternate Investment Funds	12,00,443	1.30
Institutions - Foreign		
8. Foreign Institutional Investors/ Foreign Portfolio Investors	2,25,80,956	24.57
Non-Institutions - Foreign		
9. Non-Resident Indians/ Foreign Nationals/ Foreign Companies	19,75,902	2.15
Non-Institutions - Domestic		
10. Bodies Corporate	54,84,905	5.97
11. Others (including Indian Public, Trust etc.,)	2,14,91,700	23.39
TOTAL	**9,18,99,714**	100.00

11. Outstanding Warrants, Conversion Date, Impact on Equity and Details of Utilization 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.

Conversion of Warrants

During September 2022, Karuna had converted 452,490 Warrants into Equity Shares.

Further during October 2023, Karuna converted the remaining 1,547,510 Warrants into Equity Shares.

As at March 31, 2024, there are no outstanding warrants.

Utilization of Funds

Company has raised an aggregate amount of ₹ 884 Million from issuance and conversion of Warrants (including ~₹ 513 Million during FY24). The Company has fully utilized 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.

As at March 31, 2024, promoters' shareholding in the Company is 25.88%.

12 Dematerialization of Shares and 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, 2024, 99.92 % of the paid-up share capital of the Company representing 9,18,24,228 shares has been dematerialized and balance 0.08% representing 75,486 shares of the Company was in physical form.

Shareholders who continue to hold shares in physical form are advised to dematerialize 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.

13. 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.

13.1 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 Pte Ltd, Singapore	Dec 13, 2011	Singapore	KPMG LLP, Singapore	Oct 27, 2017
3.	Strides Pharma Global, Pte Ltd, 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

14. 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 dematerialized form and in the physical form confirms to the issued and paid-up equity share capital of the Company.

15. Certificate(s) from Practicing Company Secretaries (PCS)

15.1 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 FY24, 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, reservations or adverse remarks.

The said Report forms part of the Board's Report as an Annexure.

15.2 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.

15.3 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 1** to this Report.

16. Employee Stock Options

Statement giving detailed information on stock options granted to employees under the Strides Employee Stock Option Plan, 2016 as required under the Act, and Listing Regulations is annexed to the Board's Report in Page 89 to 91.

17. Consolidated fees paid to Statutory Auditors

Fees payable by the Company and its subsidiaries to the Statutory Auditor i.e., BSR & Co. LLP, Chartered Accountants, and all entities in the network firm/ network entity of which the Statutory Auditor is a part for FY24, is ₹ 54.92 Million (excluding applicable taxes and out of pocket expenses).

18. 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.

Audit Committee of the Company oversees implementation of the Whistle Blower Policy.

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. During the review period, none of the personnel of the Company has been denied access to the Audit Committee.

During the year, Company has not received any protected disclosure.

Strides' Whistle Blower Policy is available on the Company's website and weblink to access the same is available in Page 132.

19 Strides Insider Trading Policy and UPSI Management

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, Strides has adopted Code of Conduct for Prohibition of Insider Trading (PIT Code/ Code) in the shares of the Company. The Code is applicable to

Designated Persons and their Immediate Relatives and regulates, monitors and reports their trading in securities of the Company.

Annual training is provided to all the Designated Persons to give an insight about the PIT Regulations and compliance requirements to be adhered to.

Violations of the Code are reported internally to the Audit Committee and further reported to the Stock Exchanges in prescribed format.

During the year under review, there were three instances of violations and appropriate actions were taken.

Further, the Company has also adopted 'Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information' under the aforementioned SEBI Regulations to ensure timely and comprehensive disclosure of price-sensitive information.

The said code is placed on the website of the Company at https://www.strides.com/cg-corporate-policies.html

This code is further aligned to Company's Policy for Determination of Materiality of Events and Information for Disclosure to the Stock Exchanges formulated in line with the requirements of Regulation 30 of the Listing Regulations, as amended from time to time.

20. Disclosures in relation to compliance of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY24

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 and 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 organization to sensitize employees to upload dignity of their colleagues and prevention of sexual harassment.

Disclosures in relation to PoSH instances during FY24 is as under:

Particulars	Remarks
a. number of complaints filed during FY24	4
b. number of complaints disposed off during FY24	4
c. number of complaints pending as on end of FY24	Nil

21. 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.

22. Credit Rating

The Company has obtained rating from ICRA Limited and India Ratings during FY24.

Ratings given by the agencies are as under:

Rating Agency	Date	Type of Instrument	Current Rating	Rating action
ICRA	January 31, 2024	Long Term - Fund based facilities and Term Loans	(ICRA) A- Stable	Reaffirmed; Outlook revised from Negative to Stable
ICRA	January 31, 2024	Short Term, Non Fund based facilities and Unallocated Limits	(ICRA) A2+	Reaffirmed
India ratings	March 14, 2024	Non-convertible debentures of ₹ 1,250 Mn	IND A / Stable	Affirmed; Off rating watch with negative implications

23. 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 Act, and Regulation 16(1)(b) of the Listing Regulations.

Independent Directors of the Company have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV 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.

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.

24. Other Affirmations and 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. 38 of Standalone financial statements of the Company.

e. Disclosure of certain types of agreements binding listed entities

   In accordance with Regulation 5A of paragraph A of Part A of Schedule III of the Listing Regulations, there are no agreements impacting management or control of the Company or impose any restriction or create any liability upon the Company.

25. 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 FY24 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, Mr. Arun Kumar, Founder and Promoter Director of the Company, is the Chairperson and Managing Director.

However, effective June 1, 2024, Arun has transitioned his role of Managing Director to Badree, while he continues to be the Chairperson 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.

26. 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 2** 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- Geneva, Health Canada, MCAZ & TMDA
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.	Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited) Plot No. 101 to 108, SIDCO Industrial Estate, Alathur Village, Kancheepuram – 603 110.	US FDA
Overseas		
5.	Strides Pharma Inc, USA 1 Ram Ridge Road, Chestnut Ridge, NY 10977, USA.	USFDA
6.	Beltapharm SpA, Italy 20095 Cusano ML, Via Stelvio, 66, Italy.	EU-AIFA, Italy
7.	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

In December 2023, Strides Pharma Global Pte Ltd, Singapore, a step down wholly owned subsidiary of the Company, divested its manufacturing facility.

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

   Adfactors PR
   Janhavi Bellare : +91 93228 54508
   e-mail id : janhavi.bellare@adfactorspr.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, Vice President
   Mr. Mohan Kumar A, Senior 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/2024/CoC_Strides_May%2022,%202024.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
Business Continuity Policy	https://www.strides.com/pdf/2024/Strides%20BCP%20policy_30012024.pdf
Corporate Social Responsibility Policy	https://strides.com/pdf/Committees%20of%20the%20Board/2022/csr_policy.pdf
Anti Bribery Anti Corruption Policy	https://strides.com/pdf/sustainability/Strides_AntiBriberyanticorruptionpolicy.pdf
Human Rights Policy	https://strides.com/pdf/sustainability/Strides_Human_Rights_Policy.pdf
Vendors Code of Conduct	https://strides.com/pdf/sustainability/Strides_Vendor_Code_of_conduct.pdf

For and on behalf of the Board of Directors

Arun Kumar
Executive Chairperson
DIN: 00084845

Date: July 29, 2024
Place: Bengaluru

Annexure CG 1

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 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, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory 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
Firm No.: S2010KR129900
PR: 945/2020
UDIN: F005654F000413041

Place: Bengaluru
Date: May 21, 2024

Annexure CG 2

Declaration of Compliance with the Code of Conduct for the
Financial Year ended March 31, 2024

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, 2024 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 21, 2024
Place: Ooty

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 12 June 2024.

2. We have examined the compliance of conditions of Corporate Governance by Strides Pharma Science Limited ("the Company"), for the year ended 31 March 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. 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

4. 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.

5. 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 31 March 2024.

6. 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.

7. 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

8. 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.

9. 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

10. 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: 24060573BKFGOZ7495

Place: Bengaluru
Date: June 28, 2024

Business Responsibility and Sustainability Report

FY 2023 – 24

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 Office Address	Strides House, Bilekahalli, Bannerghatta Road, Bangalore – 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 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	• The National Stock Exchange of India Limited (NSE) • BSE Limited (BSE)
11.	Paid-up Capital (₹)	91,91,67,140
12.	Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report	Mr. Badree Komandur Executive Director – Finance & Group CFO 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 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited) ("Strides Alathur")
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

Products and Services:

16. 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%

17. 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:

18. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5 • Bangalore, 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 Bangalore, Karnataka	7
International**	3 • USA- 1 facility • Italy- 1 facility • Kenya- 1 facility^	8 US | UK | Singapore | South Africa | Italy | Canada | Switzerland | Kenya^	11

*: Held by Strides Alathur Private Limited, 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.

19. Markets Served by the Entity:

a. *Number of Locations:*

Locations	Number
National (No. of States)	0*
International (No. of Countries)	104

*The Company doesn't market products in India

b. *What is the contribution of exports as a percentage of the total turnover of the entity?*

94.66%, on a standalone basis ("Total turnover" considered for the calculation includes other income)

c. *A brief on types of Customers*

Strides' customers include wholesalers, large pharmacy chains, global donor-funded institutions, regional government bodies through MOH/Govt tender and large pharmaceutical companies.

Employees:

20. Details as at the end of Financial Year 2023-24

a. *Employees and Workers*

			Employees (including differently abled)			
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	2,011	1,537	76%	474	24%
2.	Other than Permanent Employees	353	265	75%	88	25%
3.	**Total Employees (1+2)**	**2,364**	**1,802**	**76%**	**562**	**24%**

Note:

"Permanent Employee" includes all permanent employees on rolls of the Company and two of its Wholly owned Subsidiaries in India, viz., Arcolab and Strides Alathur

"Other than Permanent Employee" includes all individuals hired through third party vendors

S. No.	Particulars	Total (A)	Workers (including differently abled)			
			Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Workers	1,054	978	93%	76	7%
2.	Other than Permanent Workers	1,790	1,063	59%	727	41%
3.	**Total Workers (4+5)**	**2,844**	**2,041**	**72%**	**803**	**28%**

Note

"Permanent Worker" includes all operators on the rolls of the Company and two of its wholly owned subsidiaries, in India, viz., Arcolab and Vivimed.

"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*

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
	Differently Abled Employees					
1.	Permanent Employees	2,011	2	0.10%	0	0.0%
2.	Other than Permanent Employees	353	0	0.0%	0	0.0%
3.	**Total Employees (1+2)**	**2,364**	**2**	**0.08%**	**0**	**0.0%**

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
	Differently Abled Workers					
4.	Permanent Workers	1,054	0	0.00%	0	0.0%
5.	Other than Permanent Workers	1,790	0	0.00%	0	0.0%
3.	**Total Workers (4+5)**	**2,844**	**0**	**0.00%**	**0**	**0.0%**

21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	7	1	14.26
Key Management Personnel	3*	1	33%

*2 out of 3 Key Managerial Personnel are also part of the Board of Directors of the Company

22. Turnover rate for permanent employees and workers:

	FY 2023-24			FY 2022-23			FY 2021- 22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15%	4%	19%	28%	7%	35%	18%	5%	23%
Permanent Workers	1%	0%	1%	1%	0.1%	1%	1%	0.1%	1%

Note: Percentage calculated is on "Total Permanent Employees" and "Total Permanent Workers" for respective heads

Holding, Subsidiary and Associate Companies (including joint ventures):

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

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture (A)	Is it a holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed 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. Refer page 85 of the annual report.				

24. CSR Details:

(i) **Whether CSR is applicable as per Section 135 of Companies Act, 2013**

Applicable for Strides. Details of CSR activities undertaken are provided as an Annexure to the Board's Report. Refer page 94 of the annual report.

(ii) **Turnover (in ₹ Million)**

21,532.58 (on a standalone basis)

(iii) **Net Worth (in ₹ Million)**

31,018.29 (on a standalone basis)

Transparency and Disclosures Compliances:

25. 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 2023-24			Financial Year 2022-23		
		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*		-	-	No complaints	-	-	No complaints
Investors (Other than shareholders)		-	-	No complaints	-	-	No complaints
Shareholders	Yes	16	0	-	36	0	-
Employees and Workers	Yes	4	0	-	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.
Customers	Yes	276	25	-	254	4	Complaints are being tracked as per SOP. Average closure time for a complaint is 60 days.
Value Chain Partners	Yes	0	0	-	0	0	-

* The Company's CSR team proactively engages with concerned stakeholders/ panchayat members and initiate action, as and when necessitated 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.

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

Strides undertook its first Materiality Assessment in FY 2023-24 to determine ESG issues most critical to the Company's operations. This assessment was conducted in consultation with a number of Company's key stakeholders. As a result of the assessment, material topics were organized under 7 themes. The most important issues under these themes are described below:

#.	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.	Training and Development	Opportunity	Strides has strategically integrated training and development to nurture the growth of individual employees while advancing broader organizational objectives. The Company monitors it under "People" related inherent risks which are generally mitigated through robust training & development programs, amongst other actions. The Company's investment in comprehensive L&D programs has had numerous potential benefits, some of which have already been realised. These include contributing to employee satisfaction and retention, attracting top talent as prospective employees, and boosting innovation throughout the organization through empowering employees with new skills and knowledge. Adaptability is crucial in the evolving pharmaceutical landscape and learning and development (L&D) helps businesses remain ahead of changes in the market, in technology, and in new health-related issues. From an ethical standpoint, effective L&D also educates employees on ethical guidelines, safety protocols and regulatory requirements.	Not applicable	**Positive:** There are a number of financial benefits that a strong learning and development (L&D) program can bring about; better decision-making, lower turnover costs, increased employee performance, effective sales and marketing, and cost savings through process optimization are a few of these. Companies may increase productivity, innovation, and competitive advantage by investing in the growth of their workforce, which will ultimately boost their bottom line.
2.	Product Quality and Safety	Risk	Strides recognizes that Product Quality and Safety is a critical material issue for the Pharmaceutical industry and inadequate systems and processes to patient and safety, which in turn could pose significant risk to the Company. These risks include damage to brand value, increased compliance costs, large-scale product recalls, supply chain vulnerabilities, Prioritizing safety, quality, and transparency is essential for maintaining the Company's reputation and stakeholder's trust.	Some of the steps taken by Strides to mitigate risks associated with product quality and safety are as follows: - End-to-end digitization of the quality review process - Leveraging robotics and automation for quality assurance **Quality Culture Initiative:** - Program to engage employees to understand key quality parameters and improve on existing practices - Third party quality assessments conducted at manufacturing facilities	**Negative:** Low-quality products can adversely impact patient safety and cause reputational harm. It can also impact Strides financially through costs incurred due to legal fees, lost sales etc. Disruptions to the supply chain, higher manufacturing costs, and fines from regulatory agencies all make the financial consequences worse. Other issues are insurance costs, concerns about market worth, and litigation expenses. Setting quality first culture improves investor confidence and long-term viability. The stability and prosperity of a pharmaceutical company depend on addressing these risks.

#.	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
3.	Water Management	Risk and Opportunity	**Risk:** In the pharmaceutical industry, a stable water source is essential to carry out processes like drug manufacturing, cooling, and sanitation. This dependence on water paired with strict regulatory pressure and water scarcity in areas of operation makes water management critical to Strides' business. **Opportunity:** Adoption of water management practices present a number of opportunities for Strides. Investments in efficient water management technologies can help reduce costs while enhancing operational efficiency. Rainwater harvesting, water re-use, and recycling and other similar approaches could also help reduce the Company's dependence on external water sources.	Recognizing the importance of using water resources judiciously, Strides has taken a number of steps to mitigate risks associated with water management: - 3 manufacturing sites are Zero Liquid Discharge - Strides provides tertiary treatment to its effluents, and the recycled water is used for gardening	**Positive:** Adoption of effective water management practices can help reduce consumption of water and reduction in the associated costs. **Negative:** Stringent environmental regulations in India make it important to manage water resources in a responsible manner. Failure to do so could attract fines and penalties and have adverse environment impact in the surrounding areas and/ or communities.
4.	Digital Transformation and Technology		**Risk:** If digital technologies are adopted without adequate safeguards, companies will be exposed to cybersecurity risks and potential privacy breaches. This can result in the loss of sensitive patient information and proprietary data. **Opportunity:** Digital transformation offers a number of opportunities for Pharma companies, including the enhancement of operational efficiency, increased drug traceability and monitoring of compliance requirements. By leveraging the latest technologies like blockchain and AI, Company's quality assurance and control mechanisms and transparency can be improved and strengthened	Strides has taken the following steps to transform its business by embracing digital technology: - Path2Digital: Flagship program aimed at delivering efficiency gains and cost reductions across departments. - Manufacturing excellence: Strides has leveraged cutting edge technologies like Manufacturing Excellence System (MES) and Electronic Batch Manufacturing Records (EBMR) to optimize manufacturing processes.	**Negative:** Risks such as data breaches and cybersecurity threats, can lead to significant financial losses through legal penalties, remediation costs, and operational disruptions. Additionally, these risks can damage Company's reputation, resulting in lost revenue, decreased investor confidence, amongst others **Positive:** Digital transformation can lead to substantial cost savings and increased efficiency through automation, improved data analytics, and streamlined supply chain management. Additionally, it could potentially facilitate faster drug development and market entry, enhancing revenue growth and competitive advantage.

#.	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.	Responsible Supply Chain	Risk	The pharmaceutical industry relies heavily on its supply chain for raw materials and the potential for disruptions and ethical breaches of supply chains can severely impact companies' operations and reputation. In such a complex, heavily regulated industry, any lapses in the supply chain (delay in deliveries, sub-standard materials) can lead to consequences like product recalls, regulatory fines/ penalties and the endangerment of patient health.	Strides has taken the following steps to de-risk its supply chain: - Development of a Supplier Code of Conduct detailing the Company's expectation from suppliers, both from a material quality and an ESG standpoint. - In order to ensure the high quality of products and to guarantee the safety of patients, Strides conducts periodic supply chain audits to ensure that the materials being procured are of the highest quality. - During the development of the Company's Business Continuity Plan, Strides' critical suppliers were assessed on a number of parameters like policies and procedures, contingencies and operations.	**Negative:** A pharmaceutical company's supply chain disruptions can have a major financial impact, including higher costs from emergency sourcing, production delays, and possible fines from regulatory agencies for non-compliance. These disruptions may also lead to lower consumer confidence and lost income from lost market opportunities, which could harm the Company's reputation and market share over time.

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 approved/ ratified/ adopted by the Board/ Board Committees, as required.								
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	The Company has a "Vendor code of conduct," which vendors are expected to adhere to. Weblink of the policy - Strides_Vendor_Code_of_conduct.pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	**Strides Pharma Science Limited, India** ▪ KRSG - ISO 14001:2015 & ISO 45001:2018; ▪ Puducherry & Chandapura – ISO 14001:2015 ▪ R&D – ISO 14001:2015 systems being adopted ▪ Strides is also a signatory to the United Nations Global Compact **Strides Alathur Private Limited, India (WoS of Strides)** ▪ ISO 14001:2015 systems being adopted **Arco Lab Private Limited, India (WoS of Strides)** ▪ ISO 27001 certified								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	Strides is currently in the process of formalizing it's ESG strategy, which will culminate in the publishing of the Company's first Sustainability Report before end of 2024. The Company's ESG-related commitments, goals and targets will be disclosed in this report.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	As Strides is in the process of formalizing its ESG strategy and setting associated goals and targets, their progress will be reported from FY 25.								

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 "Chairperson's Statement" in page number 18 of the annual report. Further details are also explained in "CFO's review" and "ESG page" in page number 22 and 41 of the annual report respectively.

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 guidance of the Board of Directors is responsible to periodically review Environmental, Social and Governance (ESG) initiatives and reporting of the Company.

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies 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 periodic basis.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	During FY 2023-24, 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 2023-24:

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	5	Awareness prgrammes 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	5		100%
Employees other than BoD and KMPs	119	Training on Code of Conduct and Environment, Health and Safety (EHS) awareness sessions.	82%
Workers	119		98%

Note - 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 2023-24

	Monetary				
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹.)	Brief of Case	Has an appeal been preferred?
Penalty/ Fine Settlement Compounding Fee			Nil		

	Non-Monetary				
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹.)	Brief of Case	Has an appeal been preferred?
Imprisonment Punishment			Nil		

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, the policy is available on our website at https://strides.com/pdf/sustainability/Strides_AntiBriberyanticorruptionpolicy.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	FY2023-24	FY2022-23
Directors Key Managerial Personnel (KMPs) Employees Workers	None	None

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

Particulars	FY 23		FY 22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors Number of complaints received in relation to issues of Conflict of Interest of the KMPs	None		None	

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

8. **Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured**

	FY2023-24	FY2022-23
Number of days of accounts payables	2.69	2.29

9. **Openness of business- Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties**

Parameters	Metrics	FY2023-24	FY2022-23
a. Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
b. Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers/distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-

Parameters		Metrics	FY2023-24	FY2022-23
c.	Share of RPTs in:	a. Purchases (Purchases with related parties / Total Purchases)	16.04%	23.06%
		b. Sales (Sales to related parties / Total Sales)	78.88%	72.98%
		c. Loans & advances(Loans & advances given to related parties / Total loans & advances)	41.25%	36.20%
		d. Investments(Investments in related parties / Total Investments made)	99.74%	100%

Leadership Indicators

1. **Awareness programmes conducted for the value chain partners on any of the Principles during FY 2023-24:**

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 currently in the process of streamlining awareness programs for its value chain partners. Further, the Company plans to conduct Supplier Capacity Building Workshops on ESG-related topics (which also align with NGRBC Principles) in the coming year.		

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.**

Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	100%	100%	Spent focused on improving the environmental and/ or social impacts of products and processes
Capex	9.77%	5.58%	Spent focused on specific technologies to improve the environmental and social impacts of product and processes

2. **Does the entity have procedures in place for sustainable sourcing? If "Yes", what percentage of inputs were sourced sustainably?**

Strides' Vendor Code of Conduct reflects the Company's commitment to sustainable sourcing. The Policy, which all suppliers and business partners are required to adhere to details the expectations of the Company from suppliers with respect to issues like Human Rights, Environmental Sustainability and Health and Safety.

Strides plans to undertake comprehensive assessments for its suppliers on ESG parameters in the coming year and will be able to report on a 'percentage' of inputs sustainably sourced following this exercise.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for:**
   - (a) **Plastics (including packaging)** Plastic waste is segregated and sent to authorized recyclers approved by the respective State Pollution Control Board.
   - (b) **E- Waste** E-waste is segregated and sent to authorized recyclers approved by the respective State Pollution Control Board.
   - (c) **Hazardous Waste** Hazardous waste is collected, segregated, and disposed of through the authorized incinerating agency approved by the respective State Pollution Control Board.
   - (d) **Other Waste** Wood waste and metal waste have separate storage facilities and are sent to authorized vendor of each site for reuse.

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.**

   - All company sites comply with respective State Pollution Control Board and Plastic Waste Management Rules 2016 and EPR applicability is in line with the regulatory/ authority guidelines;
   - Waste collection responsibility of products supplied to pharmacies and customers (end user) lies with pharmacy operators and end users to collect, store and dispose complying to applicable local laws of the respective jurisdiction;
   - Rejected finished goods from the markets are taken back by Strides and disposed as per applicable local laws of the respective jurisdiction;
   - Expired goods available with our distributors are disposed as per applicable local laws of the respective jurisdiction

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products?**

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
Strides is committed to Sustainability and minimizing its impact on the environment. Accordingly, Strides has a plan to conduct a formal Life Cycle Assessment for few identified products and the outcome will be shared in future reporting(s).					

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
	As explained in Question 1 above	

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 2023-24	Financial Year 2022-23
	0	0

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:**

	Financial Year 2023-24			Financial Year 2022-23		
	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 reach 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, reclaiming of products is not applicable to Strides' business operations.					
E-waste						
Hazardous waste						
Paper						
Other waste						

5. **Reclaimed products and 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
	0%

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 2023-24

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	1,537	1,537	100%	1,537	100%	0	0%	1,537	100%	0	0.0%
Female	474	474	100%	474	100%	474	100%	0	0	4	0.8%
Total	**2,011**	**2011**	**100%**	**2011**	**100%**	**474**	**100%**	**1537**	**100%**	**4**	**0.2%**
Other than Permanent Employees											
Male	265	265	100%	-	-	-	-	145	55%	0	0.0%
Female	88	88	100%	-	-	88	100%	-	-	0	0.0%
Total	**353**	**353**	**100%**	**-**	**-**	**88**	**100%**	**145**	**55%**	**0**	**0.0%**

b. Details of measures for the well-being of Workers for FY 2023 – 24

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities		ESI	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	Number (F)	% (F / A)
Permanent employees													
Male	978	978	100%	978	100%	-	-	978	100%	0	0.0%	-	-
Female	76	76	100%	76	100%	76	100.0%	-	-	2	2.6%	-	-
Total	**1,054**	**1,054**	**100%**	**1,054**	**100%**	**76**	**100.0%**	**978**	**100%**	**2**	**0.2%**	**-**	**-**
Other than Permanent Employees													
Male	1,063	0	0%	0	0%	0	0%	0	0%	0	0.0%	1,063	100%
Female	727	0	0%	0	0%	0	0%	0	0%	0	0.0%	727	100%
Total	**1,790**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0.0%**	**1,790**	**100%**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent)**

	FY 2023-24	FY2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	2.18%	2.29%

2. Details of retirement benefits for FY 2023-24 and FY 2022-23

Benefits	Financial Year 2023-24			Financial Year 2022-23		
	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%	NA	100%	100%	Yes
ESI	5.40%	10%	Yes	6%	9%	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, age, marital status, nationality, disability, sexual orientation, family (including pregnancy) 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 2023 – 24

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	92%	100%	100%	100%
Total	**98%**	**98%**	**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:

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 organized periodically to understand underlying issues and accordingly address them.

Other than Permanent Workers	All such workers have access to HR representatives at all the sites and offices to discuss their concerns and 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 organized, thereby providing opportunity to employees to express their concerns/ issues
Other than Permanent Employees	HR Point of Contact (POC) 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.

In addition to the different grievance redressal mechanisms listed above, all employees and workers can report violations of the Company's Code of Conduct directly to a dedicated "Ombudsman", whose details are publicly available in the Company's Code of Conduct and Ethics at https://strides.com/pdf/Committees%20of%20the%20Board/2024/CoC_Strides_May%2022,%202024.pdf

7. **Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	Financial Year 2023-24			Financial Year 2022-23		
	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	2,011	0	0%	1,759	0	0%
- Male	1,537	0	0%	1,359	0	0%
- Female	474	0	0%	400	0	0%
Total Permanent Workers	1,054	1,029	98%	1,091	1,023	94%
- Male	978	955	98%	1,013	950	94%
- Female	76	74	97%	78	73	94%

8 (a). **Details of training given to employees and workers on "Health & Safety Measures"**

Category	Financial Year 2023-24			Financial Year 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
			Employees			
Male	1,537	1,129	73%	1,359	902	66%
Female	474	280	59%	400	220	55%
Total	**2,011**	**1,409**	**70%**	**1,759**	**1,122**	**64%**
			Workers			
Male	978	957	98%	1,013	966	95%
Female	76	75	99%	78	78	100%
Total	**1,054**	**1,032**	**98%**	**1,091**	**1,044**	**96%**

(b). Details of training given to employees and workers on "Skill Upgradation"

Category	Financial Year 2023-24			Financial Year 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,537	1,431	93%	1,359	1,165	86%
Female	474	446	94%	400	322	81%
Total	**2,011**	**1,877**	**93%**	**1,759**	**1,487**	**85%**
Workers						
Male	978	977	100%	1,013	956	94%
Female	76	76	100%	78	78	100%
Total	**1,054**	**1,053**	**100%**	**1,091**	**1,034**	**95%**

Note:

1. Only permanent employees and workers have been considered in Total (A) column i.e., headcount as on March 31, 2024.

In FY24, learning hours were included as a criterion part of the 'Employee Scorecard' Every employee was mandated to meet predefined learning goals and as a result the Company recorded 97,000+ learning hours in the reporting period, covering all levels of employees, focussed on a combination of Mandatory, Technical and Behavioural skills and aspects (including technical trainings undertaken through compliance wire).

9. Details of Performance and Career Development reviews of employees and workers:

Category	Financial Year 2023-24			Financial Year 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,537	1,170	76%	1,359	1,018	75%
Female	474	317	67%	400	263	66%
Total	**2,011**	**1,487**	**74%**	**1,759**	**1,281**	**73%**

Note

- As per annual Performance review eligibility criteria, employees who joined on or before September 30, 2023 were part of the review process;
- Employees under "Trainee Executive" or "Management Trainee" were not part of Annual review process;
- Workers are not part of the annual review process

10. Health and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity?	• Yes, Strides has implemented Occupational Health and Safety management system at all its locations including manufacturing sites, R&D center and corporate office; • Periodic internal and external audits are done to ensure the compliance of Occupational Health and Safety management system at all the site operations including manufacturing, quality control, facility and engineering, administrative, warehouse etc.; • In accordance with pharmaceutical industry standards, customers periodically conduct independent audits of Strides' manufacturing sites, which covers elements of EHS; • The EHS trainings, audits and inspections are carried out as per the guidelines of Factories Act, Indian Boilers Act, Environment Protection Act, Electrical Act, PESO, NBC etc.; • The Company's Process Safety Management system facilitates the implementation of best safety practices. Further, it enables the identification of work-related hazards through EHS walkthrough checklists, GEMBA walks, Hazard Identification and Risk Assessment (HIRA), etc.; • Environment Protection Act (EPA) also covers hazardous waste management rules, Biomedical waste management rules, E-waste management rules etc.; • The Occupational Health and Safety management system covers all permanent and contractual employees employees of all Strides entities and visitors to all Strides sites, 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, Hazard Identification and Risk Assessment (HIRA), Hazardous Area Classification (HAC)study etc.; • MySetu EHS is an application which is used to log and escalate any unsafe act and unsafe conditions which are identified on site premises; • All employees are trained on group EHS SOP; • 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 24, 644 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, MySetu EHS application has been implemented across all sites for workers to report any unsafe act and unsafe condition; • Safety committee meetings has representation from workers; any work-related hazards reported in the meeting is tracked until 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 healthcare services to its employees and workers. E.g. - Occupational Health Centre at the factory premises is available to have access to medical consultation for employees and conducting periodic medical examinations for all the employees through external hospitals; • Employee health insurance policy for medical benefits during hospitalization; • Employees are provided awareness sessions organized periodically at various locations by medical experts on matters like diabetes, cervical cancer etc.

11. Details of safety related incidents:

Safety Incidents/ Number	Category	Financial Year 2023-24	Financial Year 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	1.3	2.13
	Workers	0	0.48
Total recordable work-related injuries	Employees	13	9
	Workers	5	6
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

*Including the contract workforce

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 audits to assess the safety practices and procedures in alignment with the EHS management "system" Further, as part of the EHS management system, the Company provides safety trainings and 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 system (PTW)where all tasks are accessed to identify risk associated with it and mitigation measure are ensured till completion of activities (644 no's of PTW issued in FY 24);
- HIRA 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 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 Occupation health physician;
- Respiratory fit testing has been facilitated for targeted group of employees who regularly use Respiratory Protective Equipment during their routine & non-routine process related activities;
- All products are evaluated and categorized into Occupational exposure banding (1 to 5). Recommended hierarchy of control are ensured during batch manufacturing;
- CMR (Carcinogenic, Mutagenic, Reproductive Toxicity) classification of each module are accessed to prevent negative health impact on the employees;
- Health and Safety awareness training are provided to all workforce through modules and safety drill practices. Periodic mock drill sessions are conducted to ensure that all employees are aware of emergency plan management ;
- Strides organizes external safety training on basic lifesaving first aid, as well as firefighting awareness sessions, through authorized agencies to ensure the competency of the targeted group. Upon successful completion, participants are certified;
- Fire safety gadgets like fire hydrant systems, fire hose reels, fire extinguishers, fire detection systems, Emergency escape plans, fire exits , chemical spill kits , eye showers , emergency lights, first aid boxes, adequate PPE are made available across all sites to ensure safe and healthy workplace

13. Number of complaints on the following made by employees and workers:

Category	Financial Year 2023-24			Financial Year 2022-23		
	Filed	Pending Resolution at end of year	Remarks	Filed	Pending Resolution at end of year	Remarks
Working Conditions	0	0	-	17	4	Resolution of open complaints currently under progress as at the date of this report
Health and Safety	0	0	-	2	0	NA

14. Assessment for FY 2023-24

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices Working Conditions	100% by Strides, statutory authorities, and third parties

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 FY24, there was one minor fire/flash incident at KRSG. Following a root-cause analysis of the incident, corrective and preventive actions were implemented to prevent similar 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.

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 a “Vendor code of conduct,” which vendors are expected to adhere to.

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:**

	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

   Yes, the Group has multiple stream of businesses outside the listed Company. For any employee, who is retiring and willing to work further, the Company explores 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 2023-24):**

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices Working Conditions	During the development of Strides' Business Continuity Plan, the Company's critical suppliers (33.53% by value of business done) were assessed through questionnaires on specific "Health and Safety" and "Working Conditions" criteria. In the coming year, the Company plans to conduct more comprehensive assessments of its vendors, both increasing the coverage of assessments conducted as well the extent to which issues like Health and Safety and Working conditions, among others are assessed.

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.**

   No such risks/concerns identified from the assessments conducted.

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.**

   Strides is dedicated to successfully meeting stakeholder expectations and actively works with stakeholders, carefully identifying significant material challenges. In line with the Company's aspiration to conduct business in a responsible manner, Strides is committed to cultivating robust, meaningful relationships with all its stakeholders. Stakeholders and their relative importance to the Company are determined by the impact of the stakeholder group on the business and the impact of the business on the stakeholder group. Other considerations while determining stakeholder importance include factors like impact, influence, legitimacy, and diversity of perspectives.

   Strides recognizes that impactful stakeholder engagement is critical to drive the Company's overall ESG strategy. Engaging stakeholders ensures that different viewpoints are taken into account, fosters teamwork, increases trust, and supports efficient decision-making. During the Materiality Assessment conducted by Strides in FY 2023-24, the views and priorities of various stakeholder groups were central to determining the ESG issues most material to Strides.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Employee	No	Direct & other communication mechanisms including mailers, intranet, employee committees, engagement initiatives, newsletters	Continuous	Learning opportunities, building a safety culture, and inculcating safe work practices among employees, and improving diversity and inclusion.
Shareholders/ investors	No	Press releases, social media, website, analyst meets, analyst briefings, quarterly results, annual general meetings, integrated report, financial reports, email advisories, intimation to stock exchanges, annual/ quarterly financials, and investors meetings/ conferences	Frequent and need based	Educating them about Strides' business strategy for the long term, to stay abreast of developments in the corporation and its subsidiary companies and understanding their expectations
Customers	Yes, if they qualify based on specific criteria such as income	Customer meets, mailers, news bulletins, brochures, social media, website	Frequent and need based	For stronger customer relationship, to enhance business, stay in touch with them to understand the industry and business challenges and address any issues that the customers may have
Supplier/ vendor/ 3rd party manufacturer	No	1) Vendor Meets 2) Virtual modes such as e-mail, telephonically	Ongoing	Responsible supply chain practices are essential for ensuring sustainable business continuity. Engaging with suppliers and vendors enables the Company to identify key material issues impacting the supply chain. The primary areas of interest for suppliers include: 1) Business visibility 2) Collaboration
Channel Partners, franchises, and key partners	No	Partners meets and events, mailers, news bulletins, brochures, social media, website	Frequent and need based	Stronger partnership helps to increase reach and enhance business, ethical business, and fair business practices and governance.
Community	Yes	1) In-person meetings 2) Engagement through NGO partners	Ongoing	Community developments programs initiated by the Company's CSR activities enables driving a positive impact on the community members. The key area of interest for community is Community development programs with a focus on health, education, sanitation, and infrastructure development

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 the feedback from such consultations provided to the Board.**

   Consultation between stakeholders and the Board on economic, environmental, and social topics is essential for a pharmaceutical Company to gain insights, address concerns, and make informed decisions that align with stakeholder interests. Strides has taken steps to facilitate communication between the Board and stakeholders through the following processes:

   - Identification of Key Topics and Issues: The inputs of key stakeholder groups was taken during the Materiality Assessment conducted in FY 2023-24, to determine the most material Environmental, Social and Governance issues for Strides as a company;
   - Establishment of Stakeholder Engagement Mechanisms: Strides has established formal mechanisms to engage with various stakeholder groups as described in the previous question;
   - Stakeholder Consultation Sessions: Organizing consultation sessions attended by both stakeholders (employees, customers, investors, regulators) and Executive Members of the Board. This practice ensures regular dialogue between the parties to communicate their priorities.

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.**

   Yes, stakeholder engagement is used to support the identification of environmental, social and governance topics. As part of the materiality assessment conducted by Strides in FY 2023-24, the Company sought the views on a variety of both internal and external stakeholder groups to identify and finalize ESG issues most material to the Company. These included employees, customers, suppliers, and investors, among others. Strides has dedicated communication channels to regularly communicate with different stakeholder groups.

3. **Provide detail of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Through the Company's Corporate Social Responsibility programs, Strides aims to create positive impact amongst vulnerable communities and stakeholder groups. Through strategic interventions, the Company contributes to a variety of causes including disaster relief, improving community health and education. Strides has also formalized Diversity and Inclusion and Human Rights Policies to address the concerns of vulnerable groups/minority groups primarily like women, persons with disabilities, etc.

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 2023-24			Financial Year 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
			Employees			
Male	2,011	1,907	95%	1,759	1,759	100%
Female	353	313	89%	80	80	100%
Total	**2,364**	**2,220**	**94%**	**1,839**	**1,839**	**100%**
			Workers			
Male	1,054	952	90%	1,091	1,091	100%
Female	1,790	1,790	100%	1,689	1,689	100%
Total	**2,844**	**2,742**	**96%**	**2,780**	**2,780**	**100%**

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

Category	Financial Year 2023-24					Financial Year 2022-23				
	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	**2,011**	**0**	**0%**	**2,011**	**100%**	**1,759**	**119**	**7%**	**1,640**	**93%**
- Male	1,537	0	0%	1,537	100%	1,359	83	6%	1,275	94%
- Female	474	0	0%	474	100%	400	36	9%	365	91%
Other than Permanent	**353**	**79**	**22%**	**274**	**78%**	**80**	**0**	**0%**	**80**	**100%**
- Male	265	55	21%	210	79%	61	0	0%	61	100%
- Female	88	24	27%	64	73%	19	0	0%	19	100%
Workers										
Permanent	**1,054**	**0**	**0%**	**1,054**	**100%**	**1,091**	**0**	**0%**	**1,091**	**100%**
- Male	978	0	0%	978	100%	1,013	0	0%	1,013	100%
- Female	76	0	0%	76	100%	78	0	0%	78	100%
Other than Permanent	**1,790**	**1,363**	**76%**	**427**	**28%**	**1,689**	**1,254**	**74%**	**435**	**26%**
- Male	1,063	882	83%	181	17%	1,102	917	83%	185	17%
- Female	727	481	66%	246	34%	587	337	57%	250	43%

3a. Details of remuneration/ salary/ wages for FY 2023 – 24

	Male		Female	
	Number	Median salary/ wage of respective category (Amount in ₹)	Number	Median salary/ wage of respective category (Amount in ₹)
Board of Directors (BoD)*				
a. Executive Directors	2	7,00,92,877	0	0
a. Non-executive Directors (NED)	4	94,00,440	1	94,00,440
Key Managerial Personnel#	0	0	1	69,48,800
Employees other than BoD and KMP	1,535	6,88,318	473	5,24,986
Workers	978	6,95,329	76	4,19,586

*ED & NED are considered as two separate categories and total CTC is considered for calculation

#Excluding Executive Directors

Note

- Sitting fees paid to Dr. Kausalya Santhanam from Material Subsidiaries also factored in the above calculation;

- Sitting Fees and Commission paid in proportion to the period of office held by Mr. Ameet Hariani;

- Remuneration paid/ payable to Mr. Badree Komandur has been prorated in line with his terms of appointment

3b. Gross wages paid to females as % of total wages paid by the entity

	Financial Year 2023-24	Financial Year 2022-23
Gross wages paid to females as % of total wages	14%	16%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to or by the business?

Yes, the Company has established a Human Rights policy which articulates Strides' commitment to respecting human rights and actively discourages any involvement in human rights violations.

There are multiple channels of communication to report any instances of negative human rights impacts on any stakeholders viz. emailing, calling a toll-free number, or reporting to senior management or the board of directors. Strides is committed to dealing with stakeholder concerns, made in good faith, in a prompt and fair manner. Additionally, as per the expectations presented in the UN Guiding Principles on the Business and Human Rights, any violations, risks or concerns can be reported through the whistleblower channel. Any such complaint will be redressed by the concerned authority in accordance with the process laid down in the Company's policy, which is the available in the Company's website.

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

As explained in question 4 above.

Additionally, 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:

	Financial Year 2023-24			Financial Year 2022-23		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	4	0	Complaint closed within 90 days	1	0	Complaint closed within 90 days
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	-

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

	Financial Year 2023-24	Financial Year 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	4	1
Complaints on POSH as a % of female employees / workers	0.73%	0.00%
Complaints on POSH upheld	4	1

8. **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 inter-alia 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 protected from any harassment. The same procedure applies to the complaint raised under POSH or Whistle Blower Policy. The confidentiality of the complainant is strictly maintained and all applicable laws are adhered too, thereby ensuring that their identity is never disclosed internally, thereby eliminating any possibility of harassment for filing a complaint.

9. **Do human rights requirements form part of your business agreements and contracts?**

Strides' 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 the business dealings are expected to comply with all applicable laws, thereby encompassing human rights obligations.

Additionally, the Company's Vendor Code of Conduct, which Strides expects all its suppliers are business partners to adhere to has specific clauses requiring suppliers to safeguard the human rights of employees and workers.

10. **Assessment for FY 2023-24:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% by Strides, third parties and statutory authorities
Forced/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	None

11. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 10 above.**

The Company's current practices and processes are duly inspected by various agencies from time to time. Besides the assessments undertaken by government/ regulatory bodies, the Company also aims at conducting periodic audits through third party auditors to check for any non-compliances. The Company also undertakes a comprehensive HR Compliance audit once in two years, which is conducted by a third party legal firm, which helps in identifying areas of improvement. So far, Strides has 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 recognizes 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 digitization 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 government approved vendor so that the probability of contamination with human beings in and around the site is minimized/ mitigated.
- Strides' Recruitment policy specifies on non-discrimination and equal opportunity employer. The Company is committed to provide a work environment free of unlawful harassment and 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, the Company doesn't deploy women in B shift across most of it's plants considering gender sensitivity and as an adherence to cultural norms of the region in which it operates.
- To mitigate risks associated with child labour, the Strides TA playbook strictly prohibits child labour, and takes active steps to prevent its occurrence. This is done by checking each and every employee/ worker's government ID, a mandatory check point during onboarding to ensure compliance and follow it in "letter and spirit".

2. Details of the scope and coverage of any Human Rights due diligence conducted.

- Periodic 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 addresses many such issues.

The Company has also engaged in EcoVadis certifications and undergoes various customer audits, all of which thoroughly address human rights elements.

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 Forced/ Involuntary Labour Sexual harassment Discrimination at workplace Wages	During the development of Strides' Business Continuity Plan, the Company's critical suppliers (33.53% by value of business done) were assessed through questionnaires on specific "Health and Safety" and "Working Conditions" criteria. In the coming year, the Company plans to conduct more comprehensive assessments of its vendors, both increasing the coverage of assessments conducted as well the extent to which issues like child labour, forced labour, sexual harassment , discrimination at workplace, wages, among others are assessed.

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessment at Qs. 4 above.

No such risks/concerns identified from the assessments conducted

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**

From renewable sources

	Financial Year 2023-24	Financial Year 2022-23
Total Energy Consumption (A)	83,92,26,16,440	65,77,90,05,600
Total Fuel Consumption (B)	NA	NA
Energy consumption through Other Sources	NA	NA
Total Energy Consumption (A+B+C) (KJ)	**83,92,26,16,440**	**65,77,90,05,600**

From non-renewable sources

	Financial Year 2023-24	Financial Year 2022-23
Total electricity from renewable sources(D)	99,55,18,51,200	98,29,00,44,000
Total fuel consumption (E)	49,85,38,30,785	48,71,87,44,848
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	**1,49,40,56,81,985**	**1,47,00,87,88,848**
Total energy consumed (A+B+C+D+E+F)	**2,33,32,82,98,425**	**2,12,78,77,94,448**
Energy intensity per rupee of turnover (KJ/₹. Lakhs) (Total energy consumption/turnover in rupees)	12	12
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	NA	NA
Energy intensity in terms of physical Output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No	NA

Note - Data includes all manufacturing sites in India and R&D

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**

	Financial Year 2023-24	Financial Year 2022-23
Water withdrawal by source (in kilo-litres)		
(i). Surface Water	0	0
(ii). Groundwater	60,544	59,877
(iii). Third Party Water	1,43,872	1,34,901
(iv). Seawater/ Desalinated water	0	0
(v). Others (Please specify)	0	0
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	**2,04,643**	**1,94,778**
Total volume of water consumption (in KL)	**2,04,643****	**1,94,778**

	Financial Year 2023-24	Financial Year 2022-23
Water intensity per rupee of turnover (Kl/₹. Lakh) (water consumed/ turnover)	0.010048	0.01
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000138	0.01
Water intensity in terms of physical Output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	NA	NA

**Note: Total Volume of water withdrawal (in KL) – 2,04,643 is for all the India sites (KRSG, Pondy, Alathur, Chandapura, R&D and Corporate) whereas 2022-23 data mentioned is for KRSG & Chandapura.

4. Provide the following details related to water discharged

	Financial Year 2023-24	Financial Year 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i)To Surface water	All sites have zero liquid discharge mechanism (ZLD) i.e., wastewater is treated and reused within the premise, without any discharge outside the plant premises.	
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	NA	

5. 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 water conservation is implemented 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 authorized common effluent treatment plant as per consent order received from State Pollution Control Board (SPCB).
- In R&D, effluent water is sent to authorized common effluent treatment plant as per consent order received from State Pollution Control Board (SPCB)

6. Details of air emissions (other than GHG emissions) by the entity

Parameter	Unit	Financial Year 2023-24	Financial Year 2022-23
NOx	mg/Nm3	169	31
Sox	mg/Nm3	131.6	63
Particulate Matter (PM)	mg/Nm3	227.1	57.6
Persistent organic pollutant (POP)	NA		
Volatile organic compounds (VOC)	NA		
Hazardous air pollutant (HAP)	NA		
Note	Average of all the 5 sites. However, none of the site has crossed the PCB approved limits and all parameters are well within the limits specified		

Note - Data includes all manufacturing sites in India and R&D

7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Please specify unit	Financial Year 2023-24	Financial Year 2022-23
Total Scope 1 Emissions	Metric tonnes of CO2 equivalent	5,331.80	4,490.31
Total Scope 2 Emissions	Metric tonnes of CO2 equivalent	19,893.05	19,548.80
Total Scope 1 and Scope 2 emissions per million rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		1.171	1.296
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		26.803	29.658
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		NA	NA

Note 1 - Data includes all manufacturing sites in India and R&D

Note 2 - Strides underwent a comprehensive GHG inventorization review during FY24 resulting in re-statement of Scope 1 & 2 values of FY23

8. Does the entity have any project related to reducing Greenhouse gas emissions?

If "Yes", then provide details.

Yes, Strides has implemented projects to reduce Green House Gas emission specifically carbon footprint reduction. They are as follows:

- Installed 1,470 KW solar power plants and harvested clean energy from roof top solar power panels;
- Sustaining solar power consumption by importing solar power from third party and In-house generation;
- 44.5% of the total power consumption in all sites are from renewable sources (Solar & wind)

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

Parameter	Financial Year 2023-24	Financial Year 2022-23
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	162	192
E-Waste (B)	9.11	1.5
Bio-medical Waste(C)	6.6	5.7
Construction and Demolition Waste (C&D) (D)*	0	0
Battery Waste (E)	0	0
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G) (Please specify, if any)	961	730
Other Non-Hazardous Waste generated (H) (Please specify, if any) (Break-up by composition i.e. by materials relevant to the sector)	144	221
Total Waste Generated (A+B+C+D+E+F+G+H)	**1775**	**1150**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00069	0.00074
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00005	0.00008
Waste intensity in terms of physical output	0	0
Waste intensity (optional) –the relevant metric may be selected by the entity	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste Name:		
(i) Recycled	309	414
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**309**	**414**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste Name:		
(i). Incineration	907	736
(ii). Landfilling	0	0
(iii). Other recovery operations	0	0
Total	**907**	**736**

Note - Data includes all manufacturing sites in India and R&D

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

- Strides has implemented waste management plan with a comprehensive approach towards waste minimization, segregation, and safe disposal. Company has implemented effective mechanisms for disposal of large quantity of hazardous waste through incineration process;
- Health and safety attributes of new products (API, Excipient and other process materials) are evaluated to identify the negative health impact of chemicals. While conducting initiation trials, only minimal batch size is manufactured to reduce the wastage from processes and to reduce exposure to any hazardous chemicals;
- Diversion of initial rainwater to WWTP to reduce Permissible Environmental concentration (PEC) of ground water table due to recharging of fresh, very low TDS rain water to the existing ground water table

11. **If the entity has operations/ offices in & around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/ clearances are required, please specify details:**

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.
Not Applicable			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in financial year 2023-24**

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					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder.**

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 applicable regulations and guidelines are complied with.				

Leadership Indicators

1. **Water withdrawal, consumption, and discharge in areas of 'Water Stress' (in kilo liters):**

For each facility/ plant located in areas of water stress, provide the following information:

- Name of area: KRSG and Chandapura (Anekal Taluk)
- Nature of operations: Manufacturing of Pharmaceutical products
- Water withdrawal, consumption, and discharge:

Parameter	Financial Year 2023-24	Financial Year 2022-23
Water withdrawal by source (in kilo litres)		
(i). Surface Water	0	0
(ii). Ground Water	60,544	59,877
(iii). Third Party Water	61,706	53,559
(iv). Seawater/ Desalinated Water	0	0
(v). Others	0	0
Total volume of water withdrawal (in KL)	**122,250**	**113,436**
Total volume of water consumption (in KL)	**122,250**	**113,436**
Water intensity per rupee of turnover (water consumed/ turnover)	0.01	0.01
Water intensity (optional) – the relevant metric may be selected by the entity	0.01	0.01

Parameter	Financial Year 2023-24	Financial Year 2022-23
Water discharge by destination and level of treatment (in Kilo litres)		
(i). To Surface Water	Both the sites of Bangalore have zero liquid discharge mechanism (ZLD) i.e., wastewater is treated and reused within the premise, without any discharge outside the plant premises.	
- 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		
Total water discharged (in kilolitres)		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	NA	

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

Parameter	Unit	Financial Year 2023-24	Financial Year 2022-23
Total Scope 3 Emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	The Company has embarked on the journey of ESG at an organisational level. The monitoring mechanism is included as part of the overall framework and shall be reported in due course.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional)- the relevant metric may be selected by the entity			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		NA	

3. **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**

Not Applicable

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives**

S. No.	Initiative undertaken	Details of the initiative	Outcome of the Initiative
1.	Improve the groundwater level	• Rainwater harvesting tanks, Total tanks & total capacity	Rainwater harvesting tanks of capacity 3,450 KL were constructed across all the sites.
2.	Improve the awareness trainings of water consumption and controlling of water pollution	• Awareness Training/session/module • Water Consumption Monitoring • Awareness/ Caution boards display; • Installation of flow meters; • Installation of Piezometer at required sites	Reduction in daily water consumption.
3.	Reduction of CO2 emissions	• Reduction due to consumption of clean energy from Solar Power.	16,551 MT of CO2 Emission reduced.
4.	Efficient utilization of energy	• Implemented the generation of power from solar panels.	On the overall power requirement, 44.5% of energy is being utilized from renewable sources including solar panels.

5. **Does the entity have a business continuity and disaster management plan?**

Yes, the Company has a detailed Business Continuity Policy in place. An extract of the same is also available in the Company website at Strides BCP policy_30012024.pdf

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

No adverse impact to the environment caused from any activities or measures pertaining to value chain partners.

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

None during FY2024

Principle 7:

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

Essential Indicators

Strides believes that sustainable business growth can be achieved through effective collaboration with regulatory authorities, government agencies, and industry trade organizations. The Company is actively involved with various industry bodies and associations in the public domain. By engaging with these forums, the Company fulfills the critical role of policy advocacy in a transparent, ethical, and unbiased manner. Strides' commitment lies in advocating for an inclusive and collaborative healthcare ecosystem, refraining from any activities that may be detrimental to national interests. Strides firmly believes that public policy should serve the greater public good, and therefore, Strides abstains from engaging or advocating on any policy matters solely for self-interest or for the benefit of a select few. Strides' advocacy efforts are aligned with promoting policies that enhance accessibility, affordability, and quality in healthcare, ensuring equitable benefits for all stakeholders.

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

   8

(b). List the top 10 trade and industry chambers/ the entity is member of/ affiliated to

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.	Indian Drug Manufacturers' Association	National
3.	Bombay Chamber of Commerce	State
4.	Bengaluru Chamber of Industry and Commerce	State
5.	Karnataka Drugs & Pharmaceutical Manufacturers Association	State
6.	Federation of Karnataka Chambers of Commerce and Industry	State
7.	Confederation of Indian Industry	National
8.	United Nations Global Compact Network	International (affiliated to India unit)

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
Strides advocate for policies that expand access to healthcare, promote research and development incentives, or protect intellectual property rights. For example, pharmaceutical companies may lobby for changes to drug pricing regulations or advocate for policies that incentivize investment in new medical technologies.					

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 financial year 2023-24:

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
Ref note below	-	10^{th} May 2024	Yes	-	-

Note : Strides carried out a formal structured impact assessment of its various CSR programmes for FY21 till FY23 through an external Social Accounting and Audit (SAA) Organization – The India chapter of M/s. Social Audit Network – UK.

The impact study was conducted using the REES framework which measures the performance of a programme on four parameters – Relevance, Effectiveness, Efficiency, and Sustainability. This report reflects on the impact achieved in the last three years in the Company's focus areas and the result has been very encouraging / satisfying with a rating of 9.2 / 10.

The Company's focus for Community development being Health & Hygiene, Education, Employability and Community Welfare, it's initiatives have been around :

- Providing preventive, promotive, and curative healthcare and hygiene facilities by providing and maintaining specialty healthcare services, providing safe drinking water, and creating health awareness through health camps;
- Improving the quality of education and equip the students to learn better and be future ready through life skills and value and also education by adopting schools, imparting life skills (LeAPS – Leadership Adoption Program at Schools) and providing adequate learning and infrastructure facilities. Also, by providing the required number of teachers to support the curriculum needs of the school;
- Providing vocational training and placement support to rural youth based on their aptitude, equipping them with the necessary skills and education to become responsible citizens through a holistic approach;
- Responding to the disaster situation (natural and pandemics) by providing necessary support like Medical support, Food & Provisions. Creating awareness among students / citizens, providing volunteer supports to hospitals – Govt. or even working around to provide Employability opportunities during times of distress

  The interventions provided during the assessment period (2020-2023):

- Maintaining the services of Arogyadhama which caters to over 13,500 populations in 12 villages giving the best of facilities. Over 8,500 people were benefitted in 2023-24;
- Creating awareness in the health camps - held in schools and villages;
- Providing safe drinking water to about 13,000 people;
- Infrastructural support for the Anganwadi - including supervision of overall health parameters of the toddlers;
- Providing support during COVID lockdown - creating awareness, providing healthcare, vaccinations, medical support, survival kits, food packets etc.

The Social Auditors validated that Strides' CSR goals align with 4 UN SDGs

- End poverty in all its form and everywhere – UN SDG – 1
- Ensure Healthcare and well-being for all at all ages – UN SDG – 3
- Quality education for all – UN SDG – 4
- Ensure availability and sustainable management of water & sanitation for all – UN SDG – 6

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 ₹.)
Not Applicable						

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

The Company's CSR team proactively engages with concerned stakeholders/ panchayat members and initiate action, as and when necessitated 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*:

Parameter	Financial Year 2023-24	Financial Year 2022-23
Directly sourced from MSMEs/ Small producers	~7.59%	~6%
Sourced directly from within the district and neighboring districts	~14.27%	~17%

*On a standalone level (Bengaluru, Puducherry and their neighboring districts has been considered)

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

Location	Financial Year 2023-24	Financial Year 2022-23
a. Rural	0%	0%
b. Semi-urban	45%	46%
c. Urban	40%	38%
d. Metropolitan	15%	16%

Company sources contractors from rural areas to semi-urban area, who travel day to day for work

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:

Sl. No.	State	Aspirational District	Amount Spent (in ₹.)	Remarks
1	Karnataka	Bangalore	50,00,000	Arogyadhama
2	Karnataka	Bangalore	10,43,000	Siva Sakthi Homes
3	Karnataka	Bangalore	17,71,814	LeAPS
4	Puducherry	Puducherry	15,00,000	SVRCC
5	Puducherry	Puducherry	29,69,873	TISS
6	Karnataka	Bangalore	2,22,57,230	Vidyadhama
		Total	**3,45,41,917**	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups?

The Company sources materials from MSMEs on a case to case basis, which may include marginalized 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 marginalized/ 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 financial year 2023-24), 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 & marginalized groups
1	**Arogyadhama** - A state-of-the-art healthcare facility, covers 10 villages and over 12500 population at Suragajakkanahalli and provides Preventive, Promotive and Curative care. It also offers the facilities like X-ray, Scan, Pharmacy, Minor OT, Path Lab and specialty clinics like general physician, dental, gynecology, pediatrics, ophthalmology etc.	8,543	100%
2	**Siva Sakthi Homes** - Siva Sakthi Sathya Sai Charitable Trust is an institution to serve Intellectually Challenged people and Senior Citizens. The Trust has a branch in Sri Raja Rajeswari Nagar, Bengaluru, which has 28 differently abled inmates. Strides Foundation sponsors the annual groceries and medicinal requirement of the inmates.	28	100%
3	**LeAPS** – Leadership Adoption Program at Schools, aims to provide Life Skills training to children of Govt. Schools. The programme is currently imparting Life skill training to 2 govt. schools at Haragadde.	615	100%
4	**SVRCC** - Under Strides' employability empowerment programme, in collaboration with Swami Vivekananda Rural Community College, the Company is providing vocational skills to the youth of fisherman community at Puducherry. Deserving and motivated youth from the local and fisherman communities will undergo a one-year vocational training program tailored to their aptitudes. This initiative aims to enhance employment opportunities and foster the development of responsible citizens.	100	100%
5	**BVOC – TISS** - 3 year Programme to provide hands-on experience & higher education to improve the lives of disadvantaged and marginalized youth. The programme enables them to learn the skill through OJT at the shop floor of the industry and also acquire a graduate degree BVOC through classroom training. Bachelor of Vocational Training in Pharma manufacturing (BVOC) is awarded by Tata Institute of Social Sciences to empower youth and build & nurture pharma professionals.	30	100%
6	**Vidyadhama** - Strides is building a model school for the children of Government Higher Primary school, Haragadde. This project will be functional from January 2025 to benefit 400+ children.	-	100%

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.

   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:**

	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. Strides also provides 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:**

Category	Financial Year 2023-24			Financial Year 2022-23		
	Received	Pending at end of year	Remarks	Received	Pending at end of year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-

Category	Financial Year 2023-24		Remarks	Financial Year 2022-23		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Restrictive Trade Practices				-	-	-
Unfair Trade Practices						
Customer Complaints	276	25	-	254	4	Complaints tracked as per SOP.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	2	Physical defect ; Stability Failure
Forced Recalls	0	NA

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.

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

Strides upholds its Information Security Policy and ensures that all staff members receive training on the policy. The policy outlines procedures for safeguarding and managing the Company's information and assets. Additionally, it establishes clear roles and responsibilities for information protection and managing cyber incidents.

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.

Active monitoring of cyber security for Strides is handled both internally and by third-party experts. Routine reviews are carried out, and necessary steps are taken to enhance the cyber security measures. Employees are educated on data privacy awareness, and new procedures for data privacy requirements are being reviewed and prepared for implementation.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches

None

b. Percentage of data breaches involving personally identifiable information of customers

None

c. Impact, if any, of the data breaches

None

Leadership Indicators

1. **Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)**
   Details of Strides' 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.

   b. **Did your entity carry out any survey about 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 2024.

By order of the Board of Directors

Arun Kumar
Executive Chairperson
& Managing Director

Date: May 22, 2024
Place: Ooty

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 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor(s) on separate financial information of such subsidiaries and associates as were audited by the other auditor(s), 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 2024, of its consolidated loss and other comprehensive loss, 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.

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 is subject to complexities with respect to various tax positions on matters such as below wherein it faces litigation from the authorities over the years: • deductibility of transactions; • availability of tax incentives and exemptions for earlier years; and • cross border transfer pricing arrangements. Uncertainty in a tax position may arise as tax laws are subject to interpretation. 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 (including obtaining opinion from external legal experts for key jurisdiction) 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 recognizes accruals which reflect its best estimate of the outcome based on the facts known. 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 of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year; • We analysed the implications of correspondences received by the Company from the relevant tax authorities 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 involved tax specialists to assist us in evaluating the technical merits of tax position for key jurisdictions to form a judgement and the key assumptions made by the Group in tax computations and assessing the adequacy of the Group's disclosures in respect of contingent liabilities and provision for tax matters; • We also considered external legal opinions and consultations made by the Group for key uncertain tax positions during current and past periods; • We have verified the income tax rate reconciliation for key jurisdictions to identify any unusual impact for transactions.

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 ₹ 5,294 million and ₹ 5,271 million respectively as at 31 March 2024. These intangible assets predominantly arise on account of past business combinations and are subjected to annual 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 and 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; • Performing a retrospective analysis of the accuracy of the Group's past projections by comparing historical forecast to actual results; • 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;

Chargebacks, rebates, returns, other adjustments and related accruals ("gross to net sales adjustments")

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 sold in the USA. 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 2024.	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. • 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 completeness and accuracy of the underlying data.

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 ₹ 1,880 million as at 31 March 2024. OneSource Speciality Pharma Limited (formerly known as Stelis Biopharma Limited) (hereinafter referred as "Stelis"), one of the associates of the Group has historically recorded losses which continued during the Current year. Stelis has recorded a loss of ₹ 3,916 million during the year primarily driven by low revenues from existing Contract manufacturing (CDMO) business and inventory write downs 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 Associate, 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 Group, 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 note 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 ₹ 3,916 million for the year ended March 31, 2024. 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: • Obtaining monetizing the value of the intangibles by way of obtaining marketing rights from regulatory authorities and licensing them; • generating increased revenues from CDMO operations; • raising funds through issue of non-convertible debentures; • infusion of capital by current shareholders to the extent of partly paid shares; and • 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 and 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. Based on their assessment, the management of Stelis has 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. Considering the significance of the area to the overall financial information this was significant for the component auditor.	The audit procedures performed by the Component auditor 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 Stelis'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 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 the Stelis to its lenders and confirmation received from Strides to extend necessary support, contracted licensing and manufacturing service agreements, proposed debt financing with underlying documents; • Assessing the pending infusion by the current shareholders towards partly paid-up shares and financial support from the promoters and a promoter group Company; • Performing sensitivity analysis on the forecasted cash flows by considering plausible changes to the key assumptions adopted by the Stelis; and • Assessing the adequacy of the disclosures related to application of the going concern assumption.

Impairment assessment in respect of carrying value of the assets of the Cash Generating Unit (CGU) (which includes intangible assets under development and assets relating to Unit 1 - Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organization (CDMO) as at March 31 2024 (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 Organization (CDMO). 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. We have considered this to be a key focus area 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: 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, • agreeing with the appropriate partner for the developments of product portfolio, • meeting or capturing the estimated market share for the product portfolios, • discount rate; and • 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: • We 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; • We 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. • Compared the historical cash flows (including for current year) against past projections of the 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 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; • 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 statements/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 statements/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 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 ₹ 35,130 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 27,903 million and net cash outflows (before consolidation adjustments) amounting to ₹ 1,553 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 loss) of ₹ 1,249 million for the year ended 31 March 2024, in respect of 2 associates, 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 27 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 26,904 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 3,848 million and net cash flows (before consolidation adjustments) amounting to ₹ 40 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 ₹ 9 million for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 6 associates and a joint venture, whose financial information have not been audited by us or by other auditors. These 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 statements 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and 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 statements 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 2024 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 42 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 57 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint venture.

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 2024. Further, there are no amounts which are 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 2024.

d (i) The respective management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements/financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their 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 or any of such subsidiary companies and associate company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements/financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and associate company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and associate company incorporated in India whose financial information have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors 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 final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 56 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members 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.

Further, the subsidiary companies and associate companies incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies and an associate company which are companies incorporated in India whose financial information have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies and an associate company have used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In respect of the Holding Company and subsidiaries companies, in the absence of audit trail (edit log), we are unable to comment whether audit trail feature was enabled at the database level and operated throughout the year for all relevant transactions recorded in the accounting software used for maintaining general ledger.
- In respect of the Holding Company, the feature of audit trail (edit log) facility was not enabled at the database level to log any direct data changes for accounting software used for consolidation.
- In respect of the Holding Company, in the absence of an independent auditor's report for the period from 1 January 2024 to 31 March 2024 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll records, which is operated by a third party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated for the period from 1 January 2024 to 31 March 2024 for all relevant transactions recorded in the software.
- In respect of an associate company,

  For one accounting software, audit trail was not enabled for certain direct changes to tables at the application level. Accordingly, we are unable to comment on whether there was any instance of the audit trail feature being tampered with.

  For another accounting software operated by a third party software service provider for maintaining payroll records based on the independent auditor's system and organisation controls report covering the requirement of audit trail, the software has a feature of recording audit trail (edit log) facility at the application level and the same has operated during the period April 1, 2023 till December 31, 2023 and there were no instance of audit trail feature being tampered with. In the absence of an independent auditor's system and organisation controls report covering the audit trail requirement for the remaining period, we are unable to comment whether the audit trail feature of the said software was enabled and operated post December 31, 2023, for all relevant transactions recorded in the software or whether there was any instance of the audit trail feature been tampered with.

  Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

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 of the consolidated financial statements which more fully explains the decision of the Board of Directors of the Holding Company to recover the excess remuneration paid to one of Company's erstwhile Managing Director and Chief Executive Officer and corresponding recoverable of ₹ 141.90 million recorded as at 31 March 2022 and 31 March 2023 in accordance with Section 197 which was due to be recovered by the Company within a period of two years. In our opinion and according to the information and explanations given to us, having regard to the said note, the Group has recovered ₹117.36 million during the current year and ₹ 24.54 million in April 2024.

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding 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 by the Holding Company 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:24060573BKFGOV8882

Place: Bangalore
Date: 22 May 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Strides Pharma Science Limited for the year ended 31 March 2024

(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/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or advers
1	Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited)	U24304MH2017PTC348859	Subsidiary	(ii)(b), (vii)(b), (xvii)
2	OneSource Speciality Pharma Limited (formerly known as Stelis Biopharma Limited)	U74140KA2007PLC043095	Associate	(iii)(c), (iii)(d), (vii)(a), (ix)(a), (xvii)
3	Strides Pharma Science Limited	L24230MH1990PLC057062	Holding Company	(i)(c), (iii)(c), (iii)(e), (vii)
4	Arco Lab Private Limited	U74999KA2018PTC115573	Subsidiary	NIL
5	Neviton Softech Private Limited	U72300KA2010PTC127671	Subsidiary	(vii)(b)
6	Strides Pharma Services Private Limited	U74140KA2022PTC163606	Subsidiary	NIL

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	Subsidiary/ JV/ Associate
Biolexis Private Limited	U24239KA2022PTC156696	Associate

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN:24060573BKFGOV8882

Place: Bangalore
Date: 22 May 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Strides Pharma Science Limited for the year ended 31 March 2024

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 2024, 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 companies 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 company, 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 2024, 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 companies and associate company in terms of their reports referred to in the Other Matter(s) 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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 two subsidiary companies 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 statements/financial information insofar as it relates to two subsidiary companies and one associate company, 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 company 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:24060573BKFGOV8882

Place: Bangalore
Date: 22 May 2024

Consolidated Balance Sheet

As At March 31, 2024

₹ In Million

			Note	31-Mar-24	31-Mar-23
A	**ASSETS**				
I	**Non-current assets**				
	(a)	Property, plant and equipment	4 (i)	7,891.68	11,397.40
	(b)	Capital work-in-progress	4 (ii)	798.79	482.59
	(c)	Right-of-use assets	5	894.99	1,845.53
	(d)	Investment property	6	118.99	125.79
	(e)	Goodwill	7	5,294.11	5,137.58
	(f)	Other intangible assets	8 (i)	4,451.00	4,603.68
	(g)	Intangible assets under development	8 (ii)	820.15	1,027.25
	(h)	Investments accounted for using the equity method	9(i)	1,892.97	3,859.19
	(i)	Financial assets			
		(i) Investments	9(ii)	76.31	530.41
		(ii) Loans	10(i)	500.00	-
		(iii) Other financial assets	11(i)	1,916.67	408.63
	(j)	Deferred tax assets (net)	12	2,673.46	2,650.32
	(k)	Other tax assets (net)	13	1,135.90	1,616.96
	(l)	Other non-current assets	14(i)	242.54	265.26
	Total non-current assets			**28,707.56**	**33,950.59**
II	**Current assets**				
	(a)	Inventories	15	11,262.40	11,465.05
	(b)	Financial assets			
		(i) Investments	9(iii)	1,057.58	508.40
		(ii) Trade receivables	16	11,418.74	12,994.02
		(iii) Cash and cash equivalents	17	1,610.20	3,035.01
		(iv) Other balances with banks	18	301.46	124.62
		(v) Loans	10(ii)	127.34	77.80
		(vi) Other financial assets	11(ii)	1,195.07	917.80
	(c)	Other current assets	14(ii)	2,717.20	2,229.80
				29,689.99	**31,352.50**
	(d)	Assets classified as held for sale	40.2	-	1,081.11
	Total current assets			**29,689.99**	**32,433.61**
	TOTAL ASSETS			**58,397.55**	**66,384.20**
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
	(a)	Equity share capital	19	919.00	903.03
	(b)	Other equity	20	20,336.63	21,219.55
	Equity attributable to owners of the Company			**21,255.63**	**22,122.58**
	Non- controlling interests		21	(538.57)	(393.75)
	Total Equity			**20,717.06**	**21,728.83**
II	**Liabilities**				
1	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	22(i)		
		- Borrowings U.S. revolver facility		3,676.44	5,671.99
		- Borrowings others		3,038.55	5,725.93
		(ii) Lease liabilities	5	716.35	2,036.74
		(iii) Other financial liabilities	23(i)	136.81	120.51
	(b)	Provisions	25(i)	916.30	734.20
	(c)	Deferred tax liabilities (net)	12	403.45	445.71
	(d)	Other non-current liabilities	24(i)	-	18.28
	Total non-current liabilities			**8,887.90**	**14,753.36**
2	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	22(ii)	17,430.26	16,346.67
		(ii) Lease liabilities	5	307.05	514.39
		(iii) Trade payables	26		
		(a) total outstanding dues of micro enterprises and small enterprises and		348.77	169.38
		(b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,167.14	9,654.05
		(iv) Other financial liabilities	23(ii)	730.79	960.69
	(b)	Other current liabilities	24(ii)	689.17	764.80
	(c)	Provisions	25(ii)	715.25	1,224.92
	(d)	Current tax liabilities (net)	27	404.16	267.11
	Total current liabilities			**28,792.59**	**29,902.01**
	Total liabilities			**37,680.49**	**44,655.37**
	TOTAL EQUITY AND LIABILITIES			**58,397.55**	**66,384.20**

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 22, 2024

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
Ooty, May 22, 2024

Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2024

₹ In Million

		Note	31-Mar-24	31-Mar-23
A.	**Continuing operations:**			
I	Revenue from operations	28	40,511.24	36,883.87
II	Other income	29	397.01	903.28
III	**Total Income (I+II)**		**40,908.25**	**37,787.15**
IV	**Expenses**			
	(a) Cost of materials consumed		13,411.13	14,416.81
	(b) Purchases of stock-in-trade		2,834.49	1,878.70
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	159.43	(26.66)
	(d) Employee benefits expense	31	7,511.25	7,320.23
	(e) Finance costs	32	3,144.45	2,611.42
	(f) Depreciation and amortisation expense	33	2,206.83	2,432.52
	(g) Other expenses	34	9,162.30	8,992.98
	Total Expenses (IV)		**38,429.88**	**37,626.00**
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**2,478.37**	**161.15**
VI	Exceptional items	35	(1,890.45)	(170.32)
VII	**Profit / (loss) before tax (V + VI)**		**587.92**	**(9.17)**
VIII	Share of loss of joint ventures and associates	54	(1,757.36)	(2,852.83)
IX	**Profit / (loss) before tax (VII + VIII)**		**(1,169.44)**	**(2,862.00)**
X	**Tax expense:**	36		
	(a) Current tax		373.12	(316.97)
	(b) Deferred tax		(57.22)	(236.04)
	Total tax expense (X)		**315.90**	**(553.01)**
XI	**Profit /(loss) after tax from continuing operations (IX - X)**		**(1,485.34)**	**(2,308.99)**
B.	**Discontinued operations**	40		
	(i) Loss from discontinued operations		-	-
	(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		542.20	185.69
	(iii) Tax expense of discontinued operations		-	-
XII	**Profit / (loss) after tax from discontinued operations**		**542.20**	**185.69**
XIII	**Profit / (loss) for the year (XI + XII)**		**(943.14)**	**(2,123.30)**
XIV	**Other comprehensive income**	37		
A	(i) Items that will not be reclassified to statement of profit and loss		(579.49)	(542.17)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		19.88	(25.88)
B	(i) Items that may be reclassified to statement of profit and loss		30.42	647.70
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss		(17.85)	(0.49)
	Total other comprehensive income for the year, net of tax (XIV)		**(547.04)**	**79.16**
XV	**Total comprehensive income for the year (XIII + XIV)**		**(1,490.18)**	**(2,044.14)**
	Profit / (loss) for the period attributable to:			
	- Owners of the Company		(706.14)	(2,026.35)
	- Non-controlling interests		(237.00)	(96.95)
			(943.14)	**(2,123.30)**
	Other comprehensive income for the year			
	- Owners of the Company		(540.70)	139.68
	- Non-controlling interests		(6.34)	(60.52)
			(547.04)	**79.16**
	Total comprehensive income for the year			
	- Owners of the Company		(1,246.84)	(1,886.67)
	- Non-controlling interests		(243.34)	(157.47)
			(1,490.18)	**(2,044.14)**
	Earnings per equity share (of ₹ 10/- each) (for continuing operations):	48		
	(1) Basic		(13.72)	(24.56)
	(2) Diluted		(13.72)	(24.56)
	Earnings per equity share (of ₹ 10/- each) (for discontinued operations):	48		
	(1) Basic		5.96	2.07
	(2) Diluted		5.95	2.07
	Earnings per equity share (of ₹ 10/- each) (for total operations):	48		
	(1) Basic		(7.76)	(22.49)
	(2) Diluted		(7.76)	(22.49)

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 22, 2024

Ooty, May 22, 2024

Strides

Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2024

A) Equity share capital

₹ In Million

Particulars	Notes	Amount
Balance as at April 1, 2022		**897.90**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 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**
Changes in equity share capital due to prior period errors		-
Restated balance as at March 31, 2023		**903.03**
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	45	0.49
Shares issued pursuant to conversion of share warrants		15.48
Balance as at March 31, 2024		**919.00**

B) Other equity

₹ In Million

Particulars	Notes	Share application money pending allotment	Reserves and surplus: Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	Items of other comprehensive income: 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, 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**
Adjusted balance as at April 1, 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**
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)**
Transactions with owners of the Company																	
Contributions and distributions																	
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

Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2024

₹ In Million

Particulars	Notes	Share application money pending allotment	Reserves and surplus: Capital reserve	Reserves and surplus: Securities premium	Reserves and surplus: Capital redemption reserve	Reserves and surplus: Share options outstanding account	Reserves and surplus: Equity for gross obligation liability	Reserves and surplus: General reserve	Reserves and surplus: Retained earnings	Items of other comprehensive income: FVOCI equity investments reserve	Items of other comprehensive income: Cash flow hedging reserve	Items of other comprehensive income: Foreign currency translation reserve	Items of other comprehensive income: Remeasurement of the defined benefit liabilities / (asset)	Money received against share warrants	Equity attributable to owners of the Company	Non- controlling interests	Total
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
Total Contributions and distributions		**(4.06)**	**-**	**222.62**	**-**	**2.71**	**-**	**3.30**	**-**	**-**	**-**	**-**	**-**	**171.00**	**395.57**	**19.21**	**414.78**
Changes in ownership interests																	
Pursuant to business combinations	39	-	16.27	-	-	-	-	-	-	-	-	-	-	-	16.27	-	16.27
Pursuant to gain/(loss) of non-controlling interest	40.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(496.37)	(496.37)
Total Changes in ownership interests		**-**	**16.27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16.27**	**(496.37)**	**(480.10)**
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**
Profit for the year		-	-	-	-	-	-	-	(706.14)	-	-	-	-	-	(706.14)	(237.00)	(943.14)
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(523.41)	33.23	(14.32)	(36.20)	-	(540.70)	(6.34)	(547.04)
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(706.14)**	**(523.41)**	**33.23**	**(14.32)**	**(36.20)**	**-**	**(1,246.84)**	**(243.34)**	**(1,490.18)**
Transactions with owners of the Company																	
Contributions and distributions																	
Dividend		-	-	-	-	-	-	-	(135.50)	-	-	-	-	-	(135.50)	-	(135.50)
Money received against share warrants		1.20	-	-	-	-	-	-	-	-	-	-	-	513.00	514.20	-	514.20
Issue of shares on exercise of stock options	45	-	-	20.06	-	(8.02)	-	-	-	-	-	-	-	-	12.04	-	12.04
Issue of shares on conversion of share warrants		-	-	668.52	-	-	-	-	-	-	-	-	-	(684.00)	(15.48)	-	(15.48)
Transferred to general reserve on stock options lapse		-	-	-	-	(1.30)	-	1.30	-	-	-	-	-	-	-	-	-
Employee stock compensation expenses	45	-	-	-	-	15.86	-	-	-	-	-	-	-	-	15.86	-	15.86
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.70)	(8.70)
Total Contributions and distributions		**1.20**	**-**	**688.58**	**-**	**6.54**	**-**	**1.30**	**(135.50)**	**-**	**-**	**-**	**-**	**(171.00)**	**391.12**	**(8.70)**	**382.42**

Strides

Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2024

₹ In Million

Particulars	Notes	Share application money pending allotment	Reserves and surplus							Items of other comprehensive income				Money received against share warrants	Equity attributable to owners of the Company	Non- controlling interests	Total
			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)				
Changes in ownership interests																	
Pursuant to acquisition of non-controlling interest in subsidiary	39	-	(27.20)	-	-	-	-	-	-	-	-	-	-	-	(27.20)	98.54	71.34
Pursuant to disposal of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.68	8.68
Total Changes in ownership interests		**-**	**(27.20)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(27.20)**	**107.22**	**80.02**
Balance as at March 31, 2024		**1.20**	**330.07**	**18,233.08**	**601.61**	**29.71**	**(4,063.14)**	**4,041.56**	**(2,844.91)**	**(1,823.45)**	**20.81**	**5,940.59**	**(130.50)**	**-**	**20,336.63**	**(538.57)**	**19,798.06**

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 22, 2024

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
Ooty, May 22, 2024

Consolidated Statement of Cash Flow

for the Year Ended March 31, 2024

₹ In Million

		31-Mar-24	31-Mar-23
Cash flow from operating activities			
Profit / (loss) before tax from:			
Continuing operations		(1,169.44)	(2,862.00)
Discontinued operations		542.20	185.69
		(627.24)	**(2,676.31)**
Adjustments for:			
- Depreciation and amortisation expense		2,206.83	2,432.52
- Share of loss of joint ventures and associates		1,757.36	2,852.83
- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)		(14.32)	(41.07)
- Share based compensation expense		15.86	13.01
- Business combination and restructuring expenses		(24.81)	(725.47)
- Interest expense on borrowings and others		3,144.45	2,611.42
- Interest and dividend income		(304.26)	(745.28)
- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 40)		(542.20)	(185.69)
- Rental income from investment property		(17.93)	(19.00)
- Liability / provision no longer required written back		(0.76)	(8.40)
- Loss allowance on trade receivables		175.67	344.17
- Impairment and write down of assets (Refer note 35)		1,575.06	330.40
- Legal expenses related to product recall and settlements		-	248.82
- Loss/(Gain) on lease modifications		2.91	(17.20)
- Gain on dilution of investment in associates		-	(656.07)
- Realised exchange loss on deferred consideration		-	671.64
- Net unrealised exchange loss / (gain) (net)		208.88	(284.71)
Operating profit / (loss) before working capital changes		**7,555.50**	**4,145.61**
Changes in working capital			
Decrease / (Increase) in trade and other receivables		390.90	(3,473.79)
Decrease / (Increase) in inventories		307.04	(81.38)
Decrease in trade and other payables		(1,485.26)	(1,022.78)
Net change in working capital		**(787.32)**	**(4,577.95)**
Cash generated/(utilised) in operations		**6,768.18**	**(432.34)**
Income taxes refund received		242.47	876.45
Net cash flow generated from / (utilised in) operating activities	A	**7,010.65**	**444.11**
Cash flow from investing activities			
Capital expenditure for property, plant and equipment, investment property and intangible assets, including capital advance		(1,181.51)	(949.38)
Proceeds from sale of property, plant and equipment, investment property and intangible assets (net of expenses)		888.06	72.58
Short-term investments in funds		(541.91)	(508.19)
Purchase of long-term investments including investment in associates		(151.19)	(1,062.25)
Consideration paid towards business combinations, net of cash acquired (Refer note 39)		(58.78)	-
Proceeds from sale of investments		18.02	-
(Outflow) / inflow on account of discontinued operations (Refer note 40)		(79.95)	182.22
Deferred consideration received from sale of business		66.69	5,193.08
Loan given to others		(541.69)	-
Rent deposit given		-	(0.62)

Consolidated Statement of Cash Flow

for the Year Ended March 31, 2024

		31-Mar-24	31-Mar-23
			₹ In Million
Proceeds from / (investments in) fixed deposits with maturity of more than 3 months, net		(90.88)	9.26
Rental income from investment property		17.93	19.00
Interest and dividends received (net of tax on dividend)		152.71	69.04
Net cash flow generated from / (utilised in) investing activities	B	**(1,502.50)**	**3,024.74**
Cash flow from financing activities			
Proceeds from issue of equity shares		13.74	13.67
Proceeds from issue of share warrants		513.00	371.00
Proceeds from long-term borrowings		1,073.17	3,304.00
Repayment of long-term borrowings		(7,342.20)	(2,550.17)
Net increase / (decrease) in working capital and short-term borrowings		2,424.47	(504.55)
Lease payments		(558.34)	(531.10)
Dividends paid		(135.17)	-
Interest paid on borrowings		(2,921.90)	(2,242.06)
Net cash (utilised in) / generated from financing activities	C	**(6,933.23)**	**(2,139.21)**
Net increase in cash and cash equivalents	A+B+C	**(1,425.08)**	**1,329.64**
Cash and cash equivalents at the beginning of the year		3,035.01	1,707.30
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		1.62	1.46
Cash and cash equivalents pursuant to loss of control in a subsidiary		(1.35)	(3.39)
Cash and cash equivalents at the end of the year *		**1,610.20**	**3,035.01**
*** Comprises:**			
Cash on hand		1.92	2.68
Balance with banks:			
- In current accounts		603.73	573.11
- In deposit accounts		727.16	1,909.58
- Funds-in-transit		277.39	549.64
Total		**1,610.20**	**3,035.01**

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.

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 22, 2024

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
Ooty, May 22, 2024

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

1 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 Company 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.

2 Basis of preparation of consolidated financial statements

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 by the Board of Directors and authorised for issue on May 22, 2024.

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.

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 carried out with significant degree of autonomy, 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; and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligation;

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 and Group's interest in associates and joint ventures. 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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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.

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 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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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:

Name of the entities	Proportion of ownership interest and voting power held by the Group	
	31-Mar-24	31-Mar-23
1. UCL Brands Limited (Refer Note 50.2.1)	51.00%	0.00%
2. Trinity Pharma (Pty) Limited	51.76%	51.76%
3. Apollo Life Sciences Holdings (Pty) Limited	51.76%	51.76%
4. Strides Pharma (SA) Pty Ltd.	51.76%	60.00%

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, 2024 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
- Note 46 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 2.9 — Measurement of fair value of assets
- Note 3.15 — Impairment testing for non financial assets.

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.

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; "

3 Material accounting policy information

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 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

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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 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

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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 is reported as net of the investment value. 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 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

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 and revenue is recognised at that point in time. 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 standalone 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.

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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 and is recognised at that point in time upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue at that point in time 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 at that point in time when control is transferred 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. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other current liabilities and the right to recover returned goods is included in inventory. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

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.

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 / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos 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 over time 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 at that point in time 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.

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 straightline 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 standalone 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

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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.

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 capitalized 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

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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) interest on lease liabilities, 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.

3.9 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.

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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.

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 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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 lease (where there is an option 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.

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.

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

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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
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 amortized 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.

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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). For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. 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 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:

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. 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., Sonnet Biotherapeutics Holdings Inc. and Strides Global Consumer Healthcare which is not held for trading.

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.

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.

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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

At the inception of a financial guarantee contract, a liability is recognized initially at fair value and then subsequently at the higher of the estimated loss, amount initially recognised less, when appropriate, the cumulative amount of income recognised. 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 recognized at amortized cost. Where a guarantee is issued for no consideration, the fair value is recognized 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:

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 future cash flows attributable to a recognised asset or liability or highly probable 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 recognized 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

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recognized 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 recognized 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 recognized 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.

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.

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.

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.

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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. As at 31 March, 2024, MCA has not notified any new standards or amendments to the existing standards which are applicable to the Group.

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4 (i). Property, plant and equipment

Gross Block

₹ In Million

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
As at April 1, 2022	**1,332.95**	**49.86**	**4,205.32**	**11,397.49**	**334.64**	**64.39**	**1,245.22**	**18,629.87**
Foreign currency exchange differences and / or regroupings	28.59	0.03	180.46	368.63	9.51	2.08	22.52	611.82
Additions during the year	-	-	0.89	443.98	14.98	2.95	42.04	504.84
Disposals during the year	-	-	(0.24)	(191.17)	(2.29)	(7.92)	(64.91)	(266.53)
Derecognised on disposal of business (Refer note 40)	-	(1.68)	(542.90)	(1,059.61)	(19.44)	(16.81)	(47.48)	(1,687.92)
As at March 31, 2023	**1,361.54**	**48.21**	**3,843.53**	**10,959.32**	**337.40**	**44.69**	**1,197.39**	**17,792.08**
Foreign currency exchange differences and / or regroupings	6.31	-	32.94	68.14	1.31	(0.40)	4.66	112.96
Additions during the year	-	-	70.33	333.05	31.13	20.27	180.96	635.74
Disposals during the year	-	-	(721.66)	(3,841.04)	(100.68)	(5.69)	(205.37)	(4,874.44)
Acquisition through business combinations (Refer Note 39)	-	-	-	-	0.21	0.29	22.26	22.76
As at March 31, 2024	**1,367.85**	**48.21**	**3,225.14**	**7,519.47**	**269.37**	**59.16**	**1,199.90**	**13,689.10**

Accumulated Depreciation

₹ In Million

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
As at April 1, 2022	**-**	**-**	**727.28**	**4,075.05**	**183.51**	**32.46**	**796.28**	**5,814.58**
Foreign currency exchange differences and / or regroupings	-	-	26.03	110.70	3.88	1.15	16.81	158.57
Depreciation for the year	-	-	202.91	985.53	37.26	5.80	143.29	1,374.79
Eliminated on disposals of assets	-	-	(0.18)	(142.12)	(1.53)	(2.54)	(54.85)	(201.22)
Eliminated on disposal of a business (Refer note 40)	-	(0.75)	(160.09)	(526.36)	(10.05)	(14.69)	(40.10)	(752.04)
As at March 31, 2023	**-**	**(0.75)**	**795.95**	**4,502.80**	**213.07**	**22.18**	**861.43**	**6,394.68**
Foreign currency exchange differences and / or regroupings	-	0.75	6.58	38.28	0.45	(0.82)	(4.06)	41.18
Depreciation for the year	-	-	180.36	801.33	33.60	6.47	101.57	1,123.33
Eliminated on disposals of assets	-	-	(172.77)	(1,373.27)	(44.10)	(5.69)	(185.69)	(1,781.52)
Acquisition through business combinations (Refer Note 39)	-	-	-	-	0.19	0.25	19.31	19.75
As at March 31, 2024	**-**	**-**	**810.12**	**3,969.14**	**203.21**	**22.39**	**792.56**	**5,797.42**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

Net Block

₹ In Million

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
As at March 31, 2023	**1,361.54**	**48.96**	**3,047.58**	**6,456.52**	**124.33**	**22.51**	**335.96**	**11,397.40**
As at March 31, 2024	**1,367.85**	**48.21**	**2,415.02**	**3,550.33**	**66.16**	**36.77**	**407.34**	**7,891.68**

Notes:

(i) The above assets, other than to the extent mentioned in notes (ii), are owned by the Group.

(ii) 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.

(iii) Refer note 22 for details of property, plant and equipment pledged as security towards borrowings.

4 (ii). Capital-Work-in Progress (CWIP)

₹ In Million

Particulars	CWIP Movement
As at April 1, 2022	**562.29**
Additions	386.37
Deletions/ Transfers	(441.49)
Effects of foreign currency exchange differences	17.39
Eliminated on disposal of a business (Refer note 40)	(41.97)
As at March 31, 2023	**482.59**
Additions	1,535.37
Deletions/ Transfers	(1,223.32)
Effects of foreign currency exchange differences	4.15
Eliminated on disposal of a business (Refer note 40)	-
As at March 31, 2024	**798.79**

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, 2024					
Projects in progress	689.34	66.26	28.41	14.78	798.79
Projects temporarily suspended	-	-	-	-	-
As on March 31, 2023					
Projects in progress	234.65	233.30	8.26	6.38	482.59
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, 2024 and March 31, 2023.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

5. Leases

(i) Right-of-use assets

Gross Block

₹ In Million

Particulars	Building	Office Equipment	Total
As at April 1, 2022	**2,318.80**	**87.99**	**2,406.79**
Effects of foreign currency exchange differences and / or regroupings	126.52	-	126.52
Additions during the year	392.44	-	392.44
Disposals during the year	(172.69)	-	(172.69)
Derecognised on disposal of business as (Refer note 40)	(84.32)	-	(84.32)
As at March 31, 2023	**2,580.75**	**87.99**	**2,668.74**
Effects of foreign currency exchange differences and / or regroupings	15.74	-	15.74
Additions during the year	429.70	-	429.70
Disposals during the year	(1,419.19)	-	(1,419.19)
Derecognised on disposal of business as (Refer note 40)	-	-	-
As at March 31, 2024	**1,607.00**	**87.99**	**1,694.99**

Accumulated Amortisation

₹ In Million

Particulars	Building	Office Equipment	Total
As at April 1, 2022	**559.94**	**87.99**	**647.93**
Effects of foreign currency exchange differences and / or regroupings	26.12	-	26.12
Amortisation for the year	337.64	-	337.64
De-recognition	(172.69)	-	(172.69)
Eliminated on disposal of a businesses (Refer note 40)	(15.79)	-	(15.79)
As at March 31, 2023	**735.22**	**87.99**	**823.21**
Effects of foreign currency exchange differences and / or regroupings	0.50	-	0.50
Amortisation for the year	361.20	-	361.20
De-recognition	(384.91)	-	(384.91)
Eliminated on disposal of a businesses (Refer note 40)	-	-	-
As at March 31, 2024	**712.01**	**87.99**	**800.00**

Net Block

₹ In Million

Particulars	Building	Office Equipment	Total
As at March 31, 2023	**1,845.53**	**-**	**1,845.53**
As at March 31, 2024	**894.99**	**-**	**894.99**

(ii) Lease Liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Current	307.05	514.39
Non- Current	716.35	2,036.74
	1,023.40	**2,551.13**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

5. Leases (Contd.)

(iii) Amounts recognised in the statement of profit or loss

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Depreciation of Right-Of-Use asset		
Buildings	361.20	337.64
Net Depreciation charged to statement of profit and loss	**361.20**	**337.64**
Interest Expense (Included in Finance Cost)	183.59	198.14
Net Interest charged to statement of profit and loss	**183.59**	**198.14**
Other Income on account of lease modification	**(2.91)**	**17.20**
Short term lease expenses , not included in lease payments	**157.61**	**144.02**

(iv) Total Cash outflow

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Buildings	558.34	531.10
	558.34	**531.10**

6. Investment property

Gross Block

₹ In Million

Particulars	Land	Building	Total
As at April 1, 2022	**31.31**	**110.45**	**141.76**
Additions during the year	-	0.95	0.95
Disposals during the year	-	-	-
As at March 31, 2023	**31.31**	**111.40**	**142.71**
Additions during the year	-	-	-
Disposals during the year	-	-	-
As at March 31, 2024	**31.31**	**111.40**	**142.71**

Accumulated Depreciation

₹ In Million

Particulars	Land	Building	Total
As at April 1, 2022	**-**	**10.03**	**10.03**
Depreciation for the year	-	6.89	6.89
As at March 31, 2023	**-**	**16.92**	**16.92**
Depreciation for the year	-	6.80	6.80
As at March 31, 2024	**-**	**23.72**	**23.72**

Net Block

₹ In Million

Particulars	Land	Building	Total
As at March 31, 2023	**31.31**	**94.48**	**125.79**
As at March 31, 2024	**31.31**	**87.68**	**118.99**

(i) Details of assets given under an operating lease:

₹ In Million

Particulars	Gross block		Net block	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Freehold Land	31.31	31.31	31.31	31.31
Buildings	103.68	103.68	84.80	91.30
Total	**134.99**	**134.99**	**116.11**	**122.61**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

6. Investment property (Contd.)

(ii) Details of assets held by Trust and for capital appreciation and not given under lease:

₹ In Million

Particulars	Gross block		Net block	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Buildings	7.72	7.72	2.88	3.18
Total	**7.72**	**7.72**	**2.88**	**3.18**

(iii) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2024 has been arrived at ₹ 910.90 Million (as at March 31, 2023 : ₹ 950.60 Million) on the basis of a valuation carried out by independent valuers under cost approach (Direct comparison approach for land component and Depreciated Replacement cost approach for building component). 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 inputs used to determine fair value are as follows:

- Direct Comparison approach - fair value is determined post comparison to similar proprties sold at arms length or are offered for sale, after taking into consideration the premium/discount for location, access, size, etc.
- Depreciated Replacement Cost Approach - current replacement cost has been evaluated after giving due regards to construction, specifications, completion status of buulding, renovations carried out and depreciation of existing build-up structure based on age, remaining useful life, etc.

(iv) Refer note 22 for details of investment properties pledged as security towards borrowings.

(v) Amounts recognised in profit or loss for investment properties

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Rental Income	16.87	15.94
Gain on sale of investment property	-	-
Depreciation expense	(6.80)	(6.89)
Profit from investment properties	**10.07**	**9.05**

7. Goodwill

₹ In Million

Particulars	As at April 1, 2023	Effects of foreign currency exchange differences	Acquisition through business combinations	Derecognised on disposal of business	As at March 31, 2024
Goodwill	5,137.58	74.17	82.36	-	5,294.11
Previous year	*4,859.07*	*278.51*	*-*	*-*	*5,137.58*

Notes:

(i) Figures in italics relates to previous year.

(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
- Growth & Access market

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

7. Goodwill (Contd.)

The carrying amount of goodwill are allocated to cash-generating units as follows:

₹ In Million

Cash generating units	31-Mar-24	31-Mar-23
United States of America (USA)	3,337.96	3,307.07
Other regulated markets	1,405.75	1,440.39
Growth & Access market	550.40	390.12
Total	**5,294.11**	**5,137.58**

During the current year, business carried out in South Africa region through Trinity has been reclassified from Other Regulated Markets to Growth and Access Markets, which has resulted in reallocation of Goodwill between CGU's which has been done using a relative fair value approach.

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 pre 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	Growth & Access Market
Discount Rate	10.68% - 18.96%	10.88% - 16.86%	12.89% - 19.20%
Growth Rate (used for determining Terminal Value)	2%- 5%	2%- 5%	3%- 5%

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.

8 (i). Other intangible assets

Gross Block

₹ In Million

Particulars	Registration and brands		Customer/ Supply Contracts	Software licenses	Total
	Internally Generated	Others			
As at April 1, 2022	**775.75**	**3,697.12**	**812.85**	**1,135.48**	**6,421.20**
Effects of foreign currency exchange differences	-	106.38	(7.63)	24.23	122.98
Additions during the year	22.53	1,632.74	18.01	23.94	1,697.22
Disposals during the year	-	(63.08)	-	(1.96)	(65.04)
Derecognised on disposal of business as (Refer note 40)	-	(408.81)	(86.54)	(14.14)	(509.49)
Classified as Held for sale (Refer note 40.2)	-	(17.06)	-	-	(17.06)
As at March 31, 2023	**798.28**	**4,947.29**	**736.69**	**1,167.55**	**7,649.81**

8 (i). Other intangible assets (Contd.)

₹ In Million

Particulars	Registration and brands		Customer/ Supply Contracts	Software licenses	Total
	Internally Generated	Others			
Effects of foreign currency exchange differences	-	78.43	(7.77)	4.69	75.35
Additions during the year	-	488.08	-	26.14	514.22
Disposals during the year	-	(101.28)	(11.57)	(136.14)	(248.99)
Acquisition through business combinations (Refer note 39)	-	-	30.65	35.20	65.85
Derecognised on disposal of business as (Refer note 40)	-	(0.04)	(1.68)	(0.96)	(2.68)
As at March 31, 2024	**798.28**	**5,412.48**	**746.32**	**1,096.48**	**8,053.56**

Accumulated Amortisation

₹ In Million

Particulars	Registration and brands		Customer/ Supply Contracts	Software licenses	Total
	Internally Generated	Others			
As at April 1, 2022	**366.60**	**1,076.67**	**272.50**	**804.10**	**2,519.87**
Effects of foreign currency exchange differences	-	106.14	(3.23)	13.52	116.43
Amortisation for the year	34.79	466.91	80.29	131.21	713.20
Eliminated on disposals of assets	-	(61.15)	-	(1.83)	(62.98)
Eliminated on disposal of a business (Refer note 40)	-	(177.67)	(46.51)	(11.57)	(235.75)
Classified as Held for sale (Refer note 40.2)	-	(4.65)	-	-	(4.65)
As at March 31, 2023	**401.39**	**1,406.25**	**303.06**	**935.43**	**3,046.13**
Effects of foreign currency exchange differences	-	(23.60)	(4.48)	3.64	(24.44)
Amortisation for the year	34.79	530.98	65.74	83.99	715.50
Eliminated on disposals of assets	-	(67.63)	-	(98.42)	(166.05)
Acquisition through business combinations (Refer note 39)			0.77	32.30	33.07
Eliminated on disposal of a business (Refer note 40)	-	(0.01)	(0.68)	(0.96)	(1.65)
As at March 31, 2024	**436.18**	**1,845.99**	**364.41**	**955.98**	**3,602.56**

Net Block

₹ In Million

Particulars	Registration and brands		Customer/ Supply Contracts	Software licenses	Total
	Internally Generated	Others			
As at March 31, 2023	**396.89**	**3,541.04**	**433.63**	**232.12**	**4,603.68**
As at March 31, 2024	**362.10**	**3,566.49**	**381.91**	**140.50**	**4,451.00**

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, 2024

8 (ii). Intangible assets under development

₹ In Million

Particulars	Intangible assets under development Movement
As at April 1, 2022	**2,348.49**
Additions	271.18
Deletions/ Transfers	(1,893.00)
Effects of foreign currency exchange differences	331.31
Eliminated on disposal of a business (Refer note 40)	(28.73)
Classified as Held for sale as (Refer note 40.2)	(2.00)
As at March 31, 2023	**1,027.25**
Additions	248.76
Deletions/ Transfers	(473.28)
Effects of foreign currency exchange differences	17.42
Eliminated on disposal of a business (Refer note 40)	-
Classified as Held for sale as (Refer note 40.2)	-
As at March 31, 2024	**820.15**

Intangible assets under development aging schedule

₹ In Million

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As on March 31, 2024					
Projects in progress	134.78	223.04	135.12	327.21	820.15
Projects temporarily suspended	-	-	-	-	-
As on March 31, 2023					
Projects in progress	277.39	216.86	163.43	369.57	1,027.25
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, 2024 and March 31, 2023.

9 Investments

Investments consist of the following:

(i) Investments accounted for using the equity method

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(A) Investments in associates under equity method*:		
Equity shares, unquoted		
- 12,929,220 (As at March 31, 2023: 12,929,220) shares of Re 1 each fully paid up in Onesource Specialty Pharma Limited, India (formerly known as Stelis Biopharma Limited) (Refer note (a and b below and note 58)	1,807.12	3,026.47
- 342 (As at March 31, 2023: 342) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	-	-
- NIL (As at March 31, 2023: 2,780) shares of ₹ 10 each fully paid up in Neviton Softech Private Limited, India (Refer note (c) below)	-	109.72

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

9 Investments (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
- 92,946 (As at March 31, 2023: 92,946) shares of Kenyan Shilling 1000 each in Universal Corporation Limited, Kenya (Refer note 40.2)	73.19	640.65
Preference shares, unquoted		
- 3,734,074 (As at March 31, 2023: 3,734,074) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA	81.99	81.99
Less: Impairment	(81.99)	(81.99)
Total [A]	**1,880.31**	**3,776.84**
(B) Investments in joint ventures under equity method*:		
- 2,450,000 (As at March 31, 2023: 2,450,000) shares of USD 1 each in Sihuan Strides (HK) Limited, Hong Kong	12.66	82.35
Total (B)	**12.66**	**82.35**
Total [A+B]	**1,892.97**	**3,859.19**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1,892.97	3,859.19
Aggregate amount of impairment in value of investments	81.99	81.99

*The amount is net of gain / loss recognised

Note:

a) During the year ended March 31, 2024, the Associate (Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) (Stelis) has incurred loss from continuing operations of ₹ 3,656.97 million (year ended 31st March 2023 : ₹ 4,156.45 million) primarily on account of under utilisation of its capacities and write downs of inventories and certain intangible assets during the current year. The current liabilities (including current maturities of long-term debt of ₹ 1,560.38 million) exceeded its current assets by ₹ 4,542.07 million as at March 31, 2024. The Associate also requires additional funds to continue its product development activities and day to day operations and completion of capital projects in progress.

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. However, during the year ended March 31, 2023, the shareholders / investors have infused ₹ 7,102 million by subscribing towards call against the partly paid-up shares, rights issues and as intercorporate debt. Further, during the year, the promoter group companies and other investors have additionally infused funds in the form of debt into the Associate aggregating to ₹ 7,497.59 million (including ₹ 2,539.59 million from the promoter group companies). Subsequent to the reporting year, the Associate has raised ₹ 2,000 million through issue of 20,000 non-convertible debentures of face value of ₹ 1 lakh each which will list with BSE India, which has long-term repayment schedule. The promoters have committed to continue to provide the requisite financial support to the Associate as it requires in the normal course of business.

The Associate has signed several Manufacturing Services Agreements (MSA's) for its Contract Development and Manufacturing Operations (CDMO) business and is expected to grow the business of CDMO further during the coming years. During the previous financial year, Associate's facility in Bengaluru 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.

During the year, the Company and Stelis has also announced a demerger from Strides and consolidation of CDMO business within Stelis by issuing shares to the shareholders of the Group and consequently listing Stelis in India.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

9 Investments (Contd.)

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. The Company has also reviewed the developments of the quarter and continues to believe that no impairment exists as of the period end for its investment in the Associate.

(b) (i) The Management of 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, 2024. 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 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
- agreeing with the appropriate partner for the developments of the product portfolio
- meeting or capturing the estimated market share for the product portfolio 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 16.88%
- Increase in discount rate by 16.08% and nil terminal growth rate."

(c) During year ended March 31, 2024 and March 31, 2023, the Group through its subsidiary, Arcolab Private Limited acquired 25% equity interest in Neviton Softech Private Limited (Neviton) in each year, for a consideration of ₹ 92.19 million (EUR 1 million) and ₹ 99.73 million (EUR 1.23 million) respectively. Accordingly, Neviton has been considered as subsidiary with effect from January 5, 2024 and was accounted for as a business combination in the current quarter. 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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

9 Investments (Contd.)

(ii) Investments - non-current

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(A) Investments carried at fair value through other comprehensive income:		
Equity shares, unquoted		
- 1,050 (As at March 31, 2023: 1,050) shares in Red Vault Investments Pty Limited, Australia	-	-
Equity shares, unquoted		
- 21,833,626 (As at March 31, 2023: 21,833,626) shares in Strides Global Consumer Healthcare Limited, UK (refer note (a) below)	-	509.58
Total [A]	**-**	**509.58**
(B) Other investments at fair value through other comprehensive income:		
Equity shares, quoted		
- 10,870 (As at March 31, 2023: 217,391) shares in Outlook Therapeutics Inc., USA (refer note (b) below)	10.82	19.48
- 2,076 (As at March 31, 2023: 45,673) shares in Sonnet Biotherapeutics Holdings Inc., USA (refer note (c) below)	0.32	1.35
Total (B)	**11.14**	**20.83**
(C) Other investments (Carried at fair value through profit and loss)		
Equity shares, unquoted		
- 252,700 (As at March 31, 2023: Nil) shares of Re.10 each fully paid up in AMP Energy C&I Six Private Limited, India	2.53	-
- 3,990,000 (As at March 31, 2023: Nil) shares of Re.10 each fully paid up in AMP Energy C&I Eight Private Limited, India	39.90	-
Debentures, unquoted		
- 22,743 (As at March 31, 2023: Nil) CCD of Re.1000 each in AMP Energy C&I Six Private Limited, India	22.74	-
Total [C]	**65.17**	**-**
Total [A+B+C]	**76.31**	**530.41**
Aggregate book value of quoted investments	11.14	20.83
Aggregate market value of quoted investments	11.14	20.83
Aggregate carrying value of unquoted investments	65.17	509.58

Notes:

(a) The Fair value of the investment as of March 31, 2024 is NIL

(b) On March 14, 2024 , pursuant to requisite approval, there was reverse stock split in the ratio of 1-for-20 shares for the shares of the Outlook Therapeutics Inc.,

(c) On September 15, 2022 and September 1, 2023, pursuant to requisite approval, there was reverse stock split in the ratio of 1-for-14 shares and 1-for-22 shares respectively for the shares of the Sonnet Biotherapeutics Holding Inc.

Notes forming part of the Consolidated financial statements
for the year ended March 31, 2024

9 Investments (Contd.)

(iii) Investments - current

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Investments carried at fair value through profit and loss		
Investment in funds, quoted		
Clareville Capital Opportunity Fund (units as at March 31, 2024: 126,876, March 31, 2023: 61,830)	1,057.58	508.40
Total	**1,057.58**	**508.40**
Current investments offered as security towards borrowings	-	-
Liquid investments that are readily convertible into known amounts of cash and cash equivalents	1,057.58	508.40

10 Loans receivable

Loans (unsecured) consist of the following:

(i) Non-current loans

₹ In Million

Particulars	As at 31-Mar-24	As at 31-Mar-23
Considered good:		
Loans to:		
- Related parties (Refer note 49)	500.00	-
Total	**500.00**	**-**

(ii) Current loans

₹ In Million

Particulars	As at 31-Mar-24	As at 31-Mar-23
Considered good:		
Loans to:		
- Employees	55.65	47.80
- Others	71.69	30.00
Total	**127.34**	**77.80**

11 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
Security deposits*	702.95	334.07
Bank deposits with more than 12 months maturity	45.77	31.96
Balance held as margin money against long term borrowings with others	38.54	42.60
Deferred consideration receivable on sale of business (Refer Note 40.2)	1,114.73	-
Derivative assets	14.68	-
Total	**1,916.67**	**408.63**

* Includes security deposit given to related parties as referred in note 49.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

11 Other financial assets (Contd.)

(ii) Current financial assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
Security deposits	30.89	-
Interest accrued on deposit	1.36	13.27
Interest accrued on loans and advances given*	47.24	8.17
Receivable from related parties (refer note 49)	128.26	65.73
Deferred consideration receivable on sale of investment and property, plant and equipment	270.20	572.46
Derivative assets	46.72	36.42
Others:		
- Gratuity claim receivables	73.97	79.85
- Other receivable	571.89	-
- Receivable from director (refer note 49)**	24.54	141.90
Total	**1,195.07**	**917.80**

*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. During the year the company recovered significant portion of receivable from the Director and the balance receivable of ₹ 24.54 which has been recovered subsequent to the year end in Apr 2024.

12. Deferred tax balances

₹ In Million

Particulars	As at 31-Mar-24	As at 31-Mar-23
Deferred tax assets (net)	2,673.46	2,650.32
Deferred tax liabilities (net)	(403.45)	(445.71)
Total	**2,270.01**	**2,204.61**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

12. Deferred tax balances (Contd.)

₹ In Million

Year ended March 31, 2024	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)	7.37	-	(17.85)	-	-	-	(10.48)
Property, plant and equipment	(749.51)	626.53	-	-	3.18	0.11	(119.69)
Intangible assets	(305.89)	15.60	-	-	(7.72)	(6.67)	(304.68)
Other financial liabilities	105.02	(61.40)	-	-	-	0.72	44.34
Others	342.79	139.35	0.24	-	-	3.92	486.30
Inventory	702.49	(20.68)	-	-	-	4.11	685.92
Employee benefits	247.22	61.48	19.33	-	3.39	(0.14)	331.28
Allowance for credit losses	52.11	7.42	-	-	-	(0.10)	59.43
	401.60	**768.30**	**1.72**	**-**	**(1.15)**	**1.95**	**1,172.42**
Tax losses	860.11	(603.91)	-	-	-	5.67	261.87
MAT credit entitlement	942.90	(107.18)	-	-	-	-	835.72
Total	**2,204.61**	**57.21**	**1.72**	**-**	**(1.15)**	**7.62**	**2,270.01**

₹ 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**

** 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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

13 Other tax assets (net)

The income tax assets consists of the following:

Non-current income tax assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Advance income tax (net of provisions)	1,072.83	1,553.89
Taxes paid under protest	63.07	63.07
Total	**1,135.90**	**1,616.96**

14 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Considered good:		
Capital advances	187.53	194.95
Prepaid expenses	20.09	44.53
Balances with Government Authorities:		
- Indirect taxes paid under protest	34.92	25.78
Total	**242.54**	**265.26**

(ii) Other current assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Considered good:		
Advance to suppliers	630.09	538.61
Advance to employees	20.56	26.82
Prepaid expenses	706.94	639.29
Balances with Government Authorities	940.80	890.12
Interest on tax refunds	50.84	-
Incentives receivables	367.97	134.96
Total	**2,717.20**	**2,229.80**

15 Inventories

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Raw materials (including goods in transit)	5,067.79	5,217.36
Work-in-progress	479.26	510.36
Finished goods (including goods in transit)	4,394.52	4,615.05
Stock-in-trade	982.55	855.51
Stores and spares	338.28	266.77
Total	**11,262.40**	**11,465.05**

16 Trade receivables

₹ In Million

Particulars		
Unsecured		
Considered good*	11,919.12	13,446.31
Credit impaired	-	-
	11,919.12	**13,446.31**
Less: Loss allowance on trade receivables (Refer note 51.6)	(500.38)	(452.29)
Total	**11,418.74**	**12,994.02**

* 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, 2024, trade receivables balances include ₹ 695.90 (As at March 31, 2023: ₹ 565.88 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings. Further during the current year, the group has also availed invoice purchase facility from the bank which met the derecognition criteria since the Group had transferred substantially all the risks and rewards of ownership over such receivables as they are without recourse. Accordingly, as at 31 March 2024, ₹ 1,874.05 Million has been derecognized from trade receivable.

Trade receivables ageing schedule as at March 31, 2024

₹ 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	11.25	8,162.72	2,095.89	781.98	623.11	88.53	155.64	11,919.12
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	(500.38)
Less: Loss allowance on trade receivables	-	-	-	-	-	-	-	-
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
	11.25	**8,162.72**	**2,095.89**	**781.98**	**623.11**	**88.53**	**155.64**	**11,418.74**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

16 Trade receivables (Contd.)

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: Loss allowance on trade receivables	-	-	-	-	-	-	-	(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**

Information about Group's exposure to credit and market risk and impairment losses for trade receivables is included in note 51.6

17 Cash and cash equivalents

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Cash on hand	1.92	2.68
Balances with banks:		
- In current accounts	603.73	573.11
- In deposit accounts	727.16	1,909.58
- Funds-in-transit	277.39	549.64
Total	**1,610.20**	**3,035.01**

18 Other balances with banks

₹ In Million

Particulars	31-Mar-24	31-Mar-23
In deposit accounts	227.80	63.63
In earmarked accounts:		
- Unpaid dividend accounts	8.18	9.72
- Unpaid shares accounts	-	0.33
- Group gratuity accounts	17.66	9.09
- Balance held as margin money against working capital facilities with banks	47.82	41.85
Total	**301.46**	**124.62**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

19 Equity share capital

		₹ In Million
Particulars	**31-Mar-24**	**31-Mar-23**
Authorised		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2023: 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		
91,899,714 equity shares of ₹ 10/- each with voting rights (March 31, 2023: 90,302,704 equity shares of ₹ 10/- each)	919.00	903.03
Total	**919.00**	**903.03**

(i) Reconciliation of number of shares and amount outstanding:

₹ In Million

Particulars	**Notes**	**31-Mar-24**		**31-Mar-23**	
		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		**90,302,704**	**903.03**	**89,790,214**	**897.90**
Changes in equity share capital during the year					
Shares issued pursuant to exercise of stock options	45	49,500	0.49	60,000	0.60
Shares issued pursuant to conversion of share warrants	20 (l)	1,547,510	15.48	452,490	4.53
Balance at the end of the year		**91,899,714**	**919.00**	**90,302,704**	**903.03**

(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-24**		**31-Mar-23**	
	No. of Shares	**%**	**No. of Shares**	**%**
Pronomz Ventures LLP	15,789,564	17.18%	17,074,132	18.91%
Quant Mutual Fund - Quant Active Fund	4,977,936	5.42%	-	0.00%
Route One Offshore Master Fund, L.P	4,653,310	5.06%	-	0.00%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	4,618,885	5.03%	5,221,845	5.78%

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

19 Equity share capital (Contd.)

(iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of shares	
	31-Mar-24	31-Mar-23
Towards employee stock options under the various Strides stock option plans (Refer note 45)	2,360,950	2,309,450
Total	**2,360,950**	**2,309,450**

(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.

20 Other equity

₹ In Million

Particulars	Notes	As at	
		31-Mar-24	31-Mar-23
(A) Share application money pending allotment	20 (A)	1.20	-
(B) Reserves and surplus			
Capital reserve	20 (B)(i)	330.07	357.27
Securities premium	20 (B)(ii)	18,233.08	17,544.50
Capital redemption reserve	20 (B)(iii)	601.61	601.61
Share options outstanding account	20 (B)(iv)	29.71	23.17
Equity for gross obligation	20 (B)(v)	(4,063.14)	(4,063.14)
General reserve	20 (B)(vi)	4,041.56	4,040.26
Retained earnings	20 (B)(vii)	(2,844.91)	(2,003.27)
(C) Items of other comprehensive income			
FVOCI equity investments reserve	20 (C)(i)	(1,823.45)	(1,300.04)
Cash flow hedging reserve	20 (C)(ii)	20.81	(12.42)
Foreign currency translation reserve	20 (C)(iii)	5,940.59	5,954.91
Remeasurement of the defined benefit liabilities / (asset)	20 (C)(iv)	(130.50)	(94.30)
(D) Money received against share warrants	20 (D)	-	171.00
Total		**20,336.63**	**21,219.55**

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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

20 Other equity (Contd.)

(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.

(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 subscription money of ₹ 150 million, the Company has converted 452,490 convertible warrants into Ordinary Shares.

Notes forming part of the Consolidated financial statements
for the year ended March 31, 2024

20 Other equity (Contd.)

During the current year ended March 31, 2024, on exercise of options by Karuna Business Solutions LLP and on receipt of balance subscription money of ₹ 513 million, the Company has fully converted 1,547,510 convertible warrants into Ordinary Shares.

The Company has fully utilised the amounts of ₹ 513 million towards capital resources and operations.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(A) Share application money pending allotment		
Opening balance	-	4.06
Add: Received during the year	1.20	-
(Less): Shares allotted during the year	-	(4.06)
Closing balance [A]	**1.20**	**-**
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	357.27	341.00
Add: Pursuant to business combinations (Refer note 39)	(27.20)	16.27
Closing balance	**330.07**	**357.27**
(ii) Securities premium		
Opening balance	17,544.50	17,321.88
Add: Premium received on shares issued during the year	20.06	27.15
Add: Premium on conversion of share warrants	668.52	195.47
Closing balance	**18,233.08**	**17,544.50**
(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	23.17	20.46
Less: Transferred to securities premium account on exercise of ESOPs	(8.02)	(10.02)
Less: Transferred to general reserve on stock options lapse	(1.30)	(3.30)
Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)	15.86	16.03
Closing balance	**29.71**	**23.17**
(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	4,040.26	4,036.96
Add: Transferred to general reserve on stock options lapse	1.30	3.30
Closing balance	**4,041.56**	**4,040.26**
(vii) Retained earnings		
Opening balance	(2,003.27)	23.08
Add: Profit / (loss) for the year	(706.14)	(2,026.35)
Less: Dividend on equity shares	(135.50)	-
Closing balance	**(2,844.91)**	**(2,003.27)**
Total Reserves and surplus [B]	**16,327.98**	**16,500.40**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

20 Other equity (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(C) Items of other comprehensive income		
(i) FVOCI equity investments reserve		
Opening balance	(1,300.04)	(672.14)
Add / (Less): Other comprehensive income for the year (net of taxes)	(523.41)	(627.90)
Closing balance	**(1,823.45)**	**(1,300.04)**
(ii) Cash flow hedging reserve		
Opening balance	(12.42)	(57.60)
Add / (Less): Other comprehensive income for the year (net of taxes)	33.23	45.18
Closing balance	**20.81**	**(12.42)**
(iii) Foreign currency translation reserve		
Opening balance	5,954.91	5,292.36
Add / (Less): Other comprehensive income for the year	(14.32)	662.55
Closing balance	**5,940.59**	**5,954.91**
(iv) Remeasurement of the defined benefit liabilities / (asset)		
Opening balance	(94.30)	(154.15)
Add / (Less): Other comprehensive income for the year (net of taxes)	(36.20)	59.85
Closing balance	**(130.50)**	**(94.30)**
Total items of other comprehensive income [C]	**4,007.45**	**4,548.15**
(D) Money received against share warrants		
Opening balance	171.00	-
Add: Received during the year	513.00	371.00
Less: Transferred to equity share capital on allotment (Refer note 20(l))	(15.48)	(4.53)
Less: Transferred to securities premium account on allotment (Refer note 20(l))	(668.52)	(195.47)
Closing balance	**-**	**171.00**
Total of money received against share warrants [D]	**-**	**171.00**
Attributable to owners of the Company [A + B + C + D]	**20,336.63**	**21,219.55**

21 Non-controlling interests

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Opening balance	(393.75)	240.88
Less: Loss for the year	(237.00)	(96.95)
Add / (Less): Other comprehensive income for the year	(6.34)	(60.52)
Add / (Less): Pursuant to exchange movement	(8.70)	19.21
Add / (Less): Pursuant to disposal of subsidiary (Refer note 40.2)	8.68	(496.37)
Add / (Less): Pursuant to acquisition of non-controlling interest (Refer note 39)	98.54	-
Closing balance	**(538.57)**	**(393.75)**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ In Million

Particulars	31-Mar-24	31-Mar-23
a) Borrowings U.S. revolver facility - Secured (Refer note (i) below)	3,676.44	5,671.99
Subtotal (a)	**3,676.44**	**5,671.99**
b) Borrowings others		
Secured		
- Debentures from others (Refer note (ii) below)	731.19	1,207.55
- Term loans from banks (Refer note (iii) to (xii) below)	1,066.88	2,291.14
- Term loans from others (Refer note (xiii) and (xvi) below)	709.50	1,237.46
Unsecured		
- Term loans from others (Refer note (xvii) to (xxiii) below)	530.98	989.78
Subtotal (b)	**3,038.55**	**5,725.93**
Total (a+b)	**6,714.99**	**11,397.92**

Details of security and terms of repayment for the non-current borrowings:

₹ In Million

Terms of repayment and security	31-Mar-24	31-Mar-23
(i) U.S. revolver facility		
Long-term loan	3,676.44	5,671.99
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: Daily Simple SOFR + 2.50% p.a Repayment terms: : Repayable at the end of 5 years		
(ii) Debentures		
Series A 500 debentures of ₹ 1,000,000 each fully paid Series B 750 debentures of ₹ 1,000,000 each fully paid	731.19	1,207.55
Current maturities of debentures	495.26	-
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 (Strides Alathur 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 (Strides Alathur 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 Debentures - September 30, 2024 For Series B debentures 50% on September 30, 2025 and remaining 50% on September 30, 2026.		

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings (Contd.)

₹ In Million

Terms of repayment and security		31-Mar-24	31-Mar-23
(iii)	**Term loans from banks: Loan 1**		
	Long-term loan	5.00	0.82
	Current maturities of long-term loan	1.59	0.89
	Security: Hypothecation of assets procured from the term loans. Rate of interest: 7.0% to 8.49% p.a. Repayment terms: 60 monthly installments. The outstanding term as at March 31, 2024 is 20 installments.		
(iv)	**Term loans from banks: Loan 2**		
	Long-term loan	-	153.94
	Current maturities of long-term loan	-	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 10.95% p.a. Repayment terms: The loan has been taken over by another bank during the year. The outstanding balance is Nil.		
(v)	**Term loans from banks: Loan 3**		
	Long-term loan	124.38	247.68
	Current maturities of long-term loan	124.80	124.80
	Security: First Pari-Passu charge on the fixed assets of the Company excluding properties at CBD Belapur, Navi Mumbai. Second Pari-Passu charge on the current assets of the Company Rate of interest: 9.7% to 10.9% p.a. Repayment terms: 48 equal monthly installments after initial moratorium of 12 months. The outstanding term as at March 31, 2024 is 24 installments.		
(vi)	**Term loans from banks: Loan 4**		
	Long-term loan	-	1,631.61
	Current maturities of long-term loan	-	821.90
	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: Loan has been repaid in full during the year		
(vii)	**Term loans from banks: Loan 5**		
	Long-term loan	-	-
	Current maturities of long-term loan	-	1,137.81
	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: Loan has been repaid in full during the year		
(viii)	**Term loans from banks: Loan 6**		
	Long-term loan	-	-
	Current maturities of long-term loan	-	169.91
	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: Loan has been repaid in full during the year		

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings (Contd.)

₹ In Million

Terms of repayment and security		31-Mar-24	31-Mar-23
(ix)	**Term loans from banks: Loan 7**		
	Long-term loan	121.22	177.10
	Current maturities of long-term loan	84.28	80.14
	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, 2024 is 32 installments.		
(x)	**Term loans from banks: Loan 8**		
	Long-term loan	53.33	80.00
	Current maturities of long-term loan	26.67	-
	Security: The term loan is secured by a charge on the moveable and immovable assets of the Company, both present and future, with a paripassu charge. Rate of interest: 9.25% Repayment terms: Repayable in 36 equal monthly installments after an initial moratorium period of 24 months from the date of first disbursement. The outstanding term as at March 31, 2024 is 36 installments.		
(xi)	**Term loans from banks: Loan 9**		
	Long-term loan	217.16	-
	Current maturities of long-term loan	31.25	-
	Security: First Pari-Passu charge on the movable fixed assets of the Company. Second Pari-Passu charge on the current assets of the Company. Rate of interest: 11.50 % p.a. Repayment terms: 16 equal quarterly installments after initial moratorium of 12 months. The outstanding term as at March 31, 2024 is 16 installments.		
(xii)	**Term loans from banks: Loan 10**		
	Long-term loan	543.75	-
	Current maturities of long-term loan	655.51	-
	Security: First Pari-Passu charge on the fixed assets of the Company. Second Pari-Passu charge on the current assets of the Company Rate of interest: 9.15% p.a. The bank has taken over ₹ 1,046.25 million of loan from other bank and financial institutions. Repayment terms: 17 equal quarterly installments. The outstanding term as at March 31, 2024 is 17 installments. Repayment terms: 24 to 38 monthly installments. The outstanding term as at March 31, 2024 is 20 to 34 installments.		
(xiii)	**Term loans from others: Loan 11**		
	Long-term loan	348.39	694.77
	Current maturities of long-term loan	120.00	224.58
	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: 10.00% p.a. to 12.40% p.a. Repayment terms: 60 equal monthly installments. The outstanding term as at March 31, 2024 is 47 installments. The loan of ₹ 239.20 million has been taken over by a bank during the year.		

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings (Contd.)

₹ In Million

Terms of repayment and security		31-Mar-24	31-Mar-23
(xiv)	**Term loans from others: Loan 12**		
	Long-term loan	-	178.24
	Current maturities of long-term loan	-	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: The loan has been taken over by a bank during the year. The outstanding balance is Nil.		
(xv)	**Term loans from others: Loan 13**		
	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. Rate of interest: 11% to 11.15% p.a. Repayment terms: The loan has been taken over by a bank during the year. The outstanding balance is Nil.		
(xvi)	**Term loans from others: Loan 14**		
	Long-term loan	-	175.19
	Current maturities of long-term loan	-	166.67
	Security: First 1.25 times paripasu charge on fixed assets of the Company and Second paripasu charge on current assets of the Company Rate of interest: 10.95% p.a to 12.60% p.a. Repayment terms: The loan has been taken over by a bank during the year. The outstanding balance is Nil.		
(xvii)	**Unsecured Long-term loans from Others : Loan 15**		
	Long-term loan	23.29	37.42
	Current maturities of long-term loan	7.51	-
	Rate of interest: Nil Repayment terms: Within 5 years from date of drawdown.		
(xviii)	**Unsecured Long-term loans from others: Loan 16***		
	Long-term loan	2.00	-
	Current maturities of long-term loan	0.46	-
	Security : Motor Vehicle		
	Rate of interest: 11.75% p.a. Repayment terms: Within 5 years from date of drawdown		
(xix)	**Unsecured Long-term loans from others: Loan 17**		
	Long-term loan	361.11	-
	Current maturities of long-term loan	111.11	-
	Security: Exclusive charge by way of hypothecation on both fixed and current assets of the Company		
	Rate of interest: 12.60% p.a. Repayment Terms: To be made over a period of 5 years(i.e 60 months), with the principal amount being amortized equally over 54 months (started from Jan'24).		

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings (Contd.)

₹ In Million

Terms of repayment and security		31-Mar-24	31-Mar-23
(xx)	**Unsecured Long-term loans from others: Loan 18 ***		
	Long-term loan	-	-
	Current maturities of long-term loan	25.95	24.89
	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	45.84	25.78
	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	45.05	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	416.84	881.84
	Current maturities of long-term loan	4.33	5.49
	Rate of interest: 12.5% p.a. Repayment terms: 360 equal monthly installments. The outstanding term as at March 31, 2024 is 327 installments.		
Total		**8,403.71**	**14,436.97**

* Loan taken by foreign subsidiary

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Disclosed under non-current borrowings	6,714.99	11,397.92
Disclosed under current borrowings		
- Current maturities of non-current borrowings	1,688.72	3,039.05
Total	**8,403.71**	**14,436.97**

(ii) Current borrowings

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Current maturities of non-current borrowings (Refer note 22 (i) above)	1,688.72	3,039.05
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	12,473.96	9,555.01
- Short-term loans	2,209.31	2,712.27

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured loans		
- Loans repayable on demand from banks	1,034.15	1,040.34
- Loans repayable on demand from others	24.12	-
Total	**17,430.26**	**16,346.67**

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 6.65% to 11.85% p.a. (previous year 1.40% 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.

Net debt reconciliation

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current borrowings	6,714.99	11,397.92
Current borrowings- working capital loans	15,741.54	13,307.62
Current maturities of long-term loans	1,688.72	3,039.05
	24,145.25	**27,744.59**
Less:		
Cash and cash equivalents	(1,610.20)	(3,035.01)
Balances in deposit accounts	(227.80)	(63.63)
Balances held as margin money	(86.36)	(84.45)
Cash and bank balances	**(1,924.36)**	**(3,183.09)**
Current investments (highly liquid)	(1,057.58)	(508.40)
Net debt	**21,163.31**	**24,053.10**

₹ In Million

Reconciliation	Cash and bank balances (including deposit and margin money)	Current investments	Non Current borrowings (including current maturities)	Current borrowings	Net Debt
As on April 1, 2023	**3,183.09**	**508.40**	**14,436.97**	**13,307.62**	**24,053.10**
Pursuant to business combinations (Refer note 39)	33.41	-	-	-	(33.41)
Pursuant to disposal of subsidiaries(refer note 40)	(1.35)	-	-	-	1.35
Cash flows	(1,292.41)	541.90	(6,269.03)	2,424.47	(3,094.05)
Effect of exchange differences on restatement of foreign currency balances	1.62	7.30	151.22	9.40	151.70
Others	-	(0.02)	84.55	0.05	84.62
As on March 31, 2024	**1,924.36**	**1,057.58**	**8,403.71**	**15,741.54**	**21,163.31**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

22 Borrowings (Contd.)

₹ In Million

Reconciliation	Cash and bank balances (including deposit and margin money)	Current investments	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**

23 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Security deposits *	7.20	11.96
Contingent consideration payable	38.33	33.71
Gross obligation under written put option	80.69	74.84
Derivative liability	10.59	-
Total	**136.81**	**120.51**

*includes deposits received from related party (refer note 49)

(ii) Other current financial liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest accrued but not due on borrowings	113.65	159.26
Unclaimed dividends *	8.17	9.72
Derivative liability	-	55.48
Other payables:		
- Payables on purchase of property, plant and equipments and intangible assets	99.24	72.13
- Payables on purchase of non-current investments	47.88	131.61
- Contingent consideration for acquisition of subsidiaries	56.55	74.70
- Payables to employees under cash settled share based payments	-	30.00
- Other payable to employees	405.30	423.04
- Others	-	4.75
Total	**730.79**	**960.69**

*Investor Education and Protection Fund shall be credited when due.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

24 Other liabilities

Other liabilities consist of the following:

(i) Other non-current liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Asset retirement obligation	-	18.28
Total	**-**	**18.28**

(ii) Other current liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Other payables:		
- Advances from customers	260.37	324.50
- Statutory liabilities	428.80	440.30
Total	**689.17**	**764.80**

25 Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Provision for employee benefits:		
Gratuity and other benefits (Refer note 46)	548.33	408.38
Provision - Others:		
- Provision for sales return	367.97	325.82
Total	**916.30**	**734.20**

(ii) Current provisions

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Provision for employee benefits:		
- Compensated absences	275.43	229.93
- Gratuity and other benefits (Refer note 46)	6.12	4.01
Provision - Others:		
- Provision for sales return	406.15	333.46
- Provision for claims (Refer Note 40.1)	27.55	657.52
Total	**715.25**	**1,224.92**

Movement in provisions

₹ In Million

Particulars	Claims	Gratuity and other benefits	Compensated absences	Sales return
Opening balance as at April 1, 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**
Pursuant to exchange rate fluctuations	2.46	-	-	12.71
Provision recognised / (utilised) during the year (net)	(632.43)	142.06	45.50	102.13
Closing balance as at March 31, 2024	**27.55**	**554.45**	**275.43**	**774.12**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

26 Trade payables

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Total outstanding dues of micro enterprises and small enterprises (MSME)	348.77	169.38
Total outstanding dues of creditors other than micro and small enterprises*	8,167.14	9,654.05
Total	**8,515.91**	**9,823.43**

* includes dues to related party as referred in note 49.

Trade payable ageing schedule as at March 31, 2024

₹ 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	-	156.99	169.84	9.46	2.00	10.48	348.77
- Others	1514.38	2,523.50	3,590.06	307.38	27.41	204.41	8,167.14
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

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	1,424.51	3,411.73	4,084.77	292.19	111.98	328.87	9,654.05
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.

27 Tax liabilities

Current tax liabilities (net)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Provision for tax (net of advance tax)	404.16	267.11
Total	**404.16**	**267.11**

28 Revenue from operations

A.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Sale of products	38,292.33	35,425.95
Sale of services	617.88	650.74
	38,910.21	**36,076.69**
Other operating revenues*	1,601.03	807.18
Total	**40,511.24**	**36,883.87**

* Other operating revenue include support service income ₹ 668.67 Million (2023: ₹ 568.93 Million), royalty income ₹ NIL (2023: ₹ 0.69 Million), gain on sale of IP ₹ 310.54 million (2023: ₹ NIL) and export incentives ₹ 308.67 Million (2023: ₹ 202.14 Million).

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

28 Revenue from operations (Contd.)

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-24	31-Mar-23
North America	21,475.83	19,261.39
Australia	3,711.11	3,115.63
Africa	3,906.97	4,506.26
Europe	9,196.52	8,370.28
India	331.28	218.63
Asia (excluding India)	172.38	460.56
Others	116.12	143.94
	38,910.21	**36,076.69**
Revenue from other sources		
Other operating revenue	1,601.03	807.18
	1,601.03	**807.18**
Total revenue from operations	**40,511.24**	**36,883.87**

Geographical revenue is allocated based on the location of the customers.

C. Transaction price allocated to the remaining performance obligations

The following table inludes 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-24	31-Mar-23
Sale of services	176.99	213.55

D. Reconciliation of revenue from contracts with customers

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Revenue from contracts with customers as per the contract price	60,902.06	61,647.14
Adjustments made to contract price on account of :-		
a) Chargebacks / Discounts / Rebates / Incentives	(21,297.16)	(24,997.53)
b) Sales returns/ reversals	(694.69)	(572.92)
Revenue from Contracts with customers as per statement of profit and loss	**38,910.21**	**36,076.69**

29 Other income

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest income (refer note (i) and (ii) below)	296.42	745.07
Income from current investments	7.87	0.21
Rental income from investment property	17.93	19.00
Other non-operating income:		
- Liabilities / provisions no longer required written back	0.76	8.40
- Guarantee commission (Refer note 49)	48.78	59.49
- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)	14.32	41.07
- Others	10.93	30.04
Total	**397.01**	**903.28**

(i) includes interest income from related parties as referred in note 49.

(ii) Includes interest income amounting to ₹ 72 million (2023: ₹ 503 million) on tax refunds.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Inventories at the end of the year		
- Work-in-progress	479.26	510.36
- Stock-in-trade	982.55	855.51
- Finished goods	4,394.52	4,615.05
	5,856.33	**5,980.92**
(Add)/Less: Consolidation adjustment:		
- Work-in-progress	2.82	14.37
- Finished goods	32.02	22.45
	34.84	**36.82**
Inventories at the beginning 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**
Add: Opening stock pursuant to the disposal of entity (Refer note 40.2)		
- Finished goods	-	162.95
	-	162.95
Total	**159.43**	**(26.66)**

31 Employee benefits expenses

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Salaries, wages and bonus	6,357.91	5,941.43
Contribution to provident and other funds (Refer note 46)	552.41	601.65
Share based compensation expense (Refer note 45)	15.86	13.01
Staff welfare expenses	585.07	764.14
Total	**7,511.25**	**7,320.23**

32 Finance costs

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest expense on:		
- Borrowings	2,543.70	1,977.15
- Leases (Refer note 5)	183.59	198.14
- Discounting of deposits	-	0.62
Other finance costs	417.16	435.51
Total	**3,144.45**	**2,611.42**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

33 Depreciation and amortisation expense

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Depreciation on plant, property and equipments (Refer note 4(i))	1,123.33	1,374.79
Depreciation on right to use (Refer note 5)	361.20	337.64
Depreciation on investment property (Refer note 6)	6.80	6.89
Amortisation on other intangible asset (Refer note 8(i))	715.50	713.20
Amount charged to the statement of profit and loss:	**2,206.83**	**2,432.52**
- under continuing operations	2,206.83	2,432.52
- under discontinued operations	-	-

34 Other expenses

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Subcontracting charges	571.64	450.37
Consumption of stores and spares	846.75	739.28
Power, fuel and water	864.75	858.16
Rent including lease rentals (Refer note 5)	157.61	144.02
Repairs and maintenance:		
- Buildings	36.00	70.04
- Machinery	708.76	497.40
- Others	948.20	743.95
Insurance	184.59	255.84
Rates and taxes	621.95	522.31
Communication expense	77.18	118.83
Travelling and conveyance	159.82	137.38
Printing and stationery	35.12	41.58
Carriage, freight and forwarding	1,779.71	2,246.27
Business promotion	365.30	221.73
Sales commission	103.13	168.51
Failure to Supply	(5.07)	304.51
Donations and contributions	39.80	11.58
Legal and professional fees	1,298.15	1,102.16
Loss allowance on trade receivables	175.67	344.17
Bio-study expenses	34.91	93.47
Foreign exchange (gain) / loss - net	(96.41)	(448.88)
Miscellaneous expenses	254.74	370.30
Total	**9,162.30**	**8,992.98**

35 Exceptional items

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Exchange gain/ (loss) on long-term foreign currency loans and deferred consideration	5.59	(716.73)
Impairment and write down of assets (Refer note (b) below)	(1,575.06)	(330.40)
Legal expenses related to product recall and settlements (Refer note (a) below)	(290.18)	(248.82)
Gain on dilution of investment in associates (Refer note (c) below and Note 40.2)	-	656.07
Business combination and restructuring expenses (Refer Note 39)	(28.83)	724.59
Employee severance and retrenchment expense (Refer note (d) below)	(1.97)	(255.03)
Total	**(1,890.45)**	**(170.32)**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

35 Exceptional items (Contd.)

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 April 1, 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 year ended March 31, 2022, USFDA issued a letter to the Group to test for the presence of Azide impurity(s) in Losartan. The Azide impurities are API process impurity(s), with the API supplier 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 recalled specific batches which had the Azide impurity(s).

During the current year ended March 31, 2024 and previous year ended March 31, 2023, with respect to the above mentioned recalls, the Group is carrying sufficient provision for sales return and has recorded an amount of ₹ 290.18 million and ₹ 248.82 million respectively, 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 with respect to these recalled products. These amounts, in line with earlier periods, have been recorded as an expense within Exceptional items in the statement of profit and loss during the period.

(b) (i) During the current year ended March 31, 2024, Strides Pharma Global Pte. Limited, Singapore, entered into a binding agreement with PharmaGend Global Medical Services Pte. Ltd. (formerly known as Rxilient Biohub Pte Ltd)(Rxilient Biohub) for the sale of its manufacturing facility including licenses, equipment, vendor contracts and leases for a total cash consideration of USD 15 million. As part of the transaction, Rxilient Biohub has taken over the long term lease obligation of the manufacturing site from Strides Pharma Global Pte. Limited.

Accordingly, the difference between the carrying value of the assets and the consideration (net off expenses) amounting to ₹ 1,414 million has been accounted as a loss under exceptional items.

(ii) Discountinued IPs were written down during the year amounting to ₹ 87.08 million (March 31, 2023: ₹ 330.40 million)

(c) One of the associates of the Group, Onesource Specialty Pharma Limited, raised equity investments during the previous year. 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 during the previous year ended March 31, 2023.

(d) The Group as part of cost improvement measures globally and capacity optimization at various manufacturing locations, resulting in one time severance expense aggregating to ₹ 1.97 million (March 31, 2023: ₹ 255.03 million)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

36 Tax expenses

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Current tax		
Current tax expense	498.92	203.69
Current tax relating to prior years reversed	(125.80)	(520.66)
	373.12	**(316.97)**
Deferred tax benefit		
Deferred tax expense / (benefit)	(164.41)	(236.04)
Minimum alternative tax credit utilised	107.19	-
	(57.22)	(236.04)
Total	**315.90**	**(553.01)**

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:

Particulars	₹ 31-Mar-24	₹ In Million 31-Mar-23
Profit before tax		
- from continuing operations	(1,169.44)	(2,862.00)
- from discontinued operations	542.20	185.69
	(627.24)	**(2,676.31)**
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	(219.18)	(935.21)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(133.25)	(94.31)
Effect of expenses that are not deductible in determining taxable profit	14.90	6.29
Effect of concessions	(32.54)	(15.32)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	243.94	88.83
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	106.99	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	152.79	149.76
Effect on deferred tax balances due to the change in income tax rate	-	476.09
Tax pertaining to prior years	(119.79)	(528.04)
Effect on recognition of past unrecognised deferred tax asset	-	(52.94)
Tax effect on share of equity accounted joint venture and associates, not recognised	614.07	997.00
Tax effect on gain on divestment in subsidiaries and dilution of investment in associate, not recognised	-	(316.70)
Others (net)	(312.03)	(328.46)
Total Income tax expense	**315.90**	**(553.01)**

Refer note 12 for significant components of deferred tax assets and liabilities.

The Group is subject to complexities with respect to various tax positions on matters such as deductibility of transactions, availability of tax incentives and exemptions for earlier years and cross border transfer pricing arrangements, wherein it faces litigation from the authorities over the years.

Uncertainty in a tax position may arise as tax laws are subject to interpretation. 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 (including obtaining opinion from external legal experts)

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36 Tax expenses (Contd.)

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 recognizes accruals which reflect its best estimate of the outcome based on the facts known.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Tax losses	10,155.43	6,751.59
Expiry Period*	2024-2044	2023-2043

*Group is operational in countries where there are no expiry for carry forward of tax losses. The expiry period is mentioned only for entities where there are expiry in carried forward of tax losses.

37 Other comprehensive income

₹ In Million

Particulars		31-Mar-24	31-Mar-23
A)	**Items that will not be reclassified to profit or loss**		
(i)	Defined benefit obligations	(55.83)	90.18
	Income tax on above	19.63	(30.33)
		(36.20)	**59.85**
(ii)	FVOCI equity investments	(523.66)	(632.34)
	Income tax on above	0.25	4.44
		(523.41)	**(627.90)**
Total [A]		**(559.61)**	**(568.05)**
B)	**Items that may be reclassified to profit or loss**		
(i)	Cash flow hedge	51.08	45.67
	Income tax on above	(17.85)	(0.49)
		33.23	**45.18**
(ii)	Foreign currency translations	(20.66)	602.03
	Income tax on above	-	-
		(20.66)	**602.03**
Total [B]		**12.57**	**647.21**
Total [A+B]		**(547.04)**	**79.16**

38 Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Cost of materials consumed	55.43	71.77
Salaries, wages and bonus	219.27	213.37
Biostudy expenses	7.41	43.34
Legal and professional fees	12.22	20.82
Consumption of stores and spares	135.15	53.22
Regulatory expenses	20.20	75.15
Travelling and conveyance	4.81	2.30
Depreciation and amortisation expenses	68.46	77.34
Others	140.95	158.68
Total	**663.90**	**715.99**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

39 Business combinations (including acquisitions of non controlling interest)

39.1 Business combinations

During the quarter and year ended March 31, 2024, Arco Lab Private Limited, a wholly owned subsidiary of the Group, acquired additional 25% equity interest in Neviton Softech Private Limited, whereby increasing its equity holding to 50% and obtained control over the Board and operations of Neviton. Accordingly, Neviton has been considered as subsidiary with effect from January 5, 2024 and was accounted for as a business combination in the current quarter. As a result of above transaction, Neviton Technologies Inc., subsidiary of Neviton Softech Private Limited is also consolidated with the Group.

During year ended March 31, 2024:

Entity / Business Acquired	Principal Activity	Date of Acquisition
Neviton Softech Private Limited	Engineering and Information Technology	Jan 5, 2024

Consideration transferred

Particulars	Amount
Consideration transferred	192.00

Assets acquired and liabilities recognised at the date of acquisition

Particulars	Amount
Non-current assets (includes intangibles at fair value)	143.71
Current Assets	107.81
Non-current liabilities	(14.18)
Current Liabilities	(18.06)
Net Assets	**219.28**
Fair value of acquired receivables	**67.94**

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 A

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 previous year, the Group finalised the Purchase price allocation and accordingly updated the bargain purchase gain and value of non-current assets.

Assets acquired and liabilities recognised at the date of acquisition:

₹ In Million

Particulars	31-Mar-23
Non-current assets (includes intangibles at fair value)	16.27
Net Assets	**16.27**

Notes forming part of the Consolidated financial statements

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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.

Details of initial recognition of such gross obligation, non-controlling interests and goodwill/bargain purchase arising on such acquisitions have been given below.

39.2.1 Acquisition of non-controlling interest:

During the current year, the Trinity Pharma (Pty) Ltd acquired 100% stake in Strides Pharma (SA) Pty Ltd, 60% from Strides Pharma (Cyprus) Limited and balance 40% from Juno Pharma South Africa Proprietary Limited. The restructuring had no impact on Consolidated financial statements, since this entity was already being consolidated.

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	38.33
Less: Carrying value of non-controlling interest	11.13
Amount debited to Capital reserve	**27.20**

39.2.2 Calculation of goodwill / bargain purchase arising on acquisition:

The Group has recognised non-controlling interest in acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The details of the initial recognition of such non-controlling interest and goodwill are arising on such acquisitions and have been given in the below table:

Acquisitions during the year ended March 31, 2024:

₹ In Million

Particulars	Amount
Consideration transferred	192.00
Add: Non-controlling interests	109.64
Less: Fair value of identifiable net assets/ (net liabilities)	219.28
Goodwill arising on acquisition	**82.36**

39.2.3 Goodwill arising on acquisitions pertains to the Cash generating units

Particulars	Cash Generating Unit	Amount
Neviton Softech Private Limited	Other Regulated Markets	82.36

39.2.4 Net cash outflow on acquisition of subsidiaries / business / non-controlling interest

₹ In Million

Particulars	Year ended 31-Mar-24
Consideration paid in cash	92.00
Net cash outflow on acquisition	**92.00**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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 (before intercompany elimination):

₹ In Million

Particulars	31-Mar-24
Revenue	79.42
Profit / (loss) for the year	9.80

If the acquisition had occurred on April 1, 2023, the management estimates that the consolidated revenue for the group pertaining to these acquisitions (before intercompany elimination) would have been ₹ 288 million and the profit (before intercompany elimination) would have been ₹ 51 million for the 12 months ended March 31, 2024. 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.

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	31-Mar-24	31-Mar-23
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 speciality products	40.1	542.20	185.69
Net gain / (loss) on disposal of businesses (IV)		**542.20**	**185.69**
Gain / (loss) from discontinued operations before tax (V = III + IV)		**542.20**	**185.69**
Attributable income tax expense (VI)		-	-
Net gain / (loss) from discontinued operations after tax (V - VI)		**542.20**	**185.69**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

40 Discontinued operations: (Contd.)

Cash flows from discontinued operations

₹ In Million

Particulars	Reference	31-Mar-24	31-Mar-23
Net cash inflows/(outflows) from operating activities		-	-
Net cash inflows/(outflows) from investing activities*		(79.95)	182.22
Net cash inflows/(outflows) from financing activities		-	-
Net cash inflows/(outflows)		**(79.95)**	**182.22**

* 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").

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 favour of the Group and Mylan. The Group and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account.

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40 Discontinued operations: (Contd.)

During the current year ended March 31, 2024, the Group received a favourable award with respect to its ongoing arbitration with Mylan for certain claims. Accordingly, the Group based on its evaluation, reversed the provisions related to above matters amounting to ₹ 541.48 million. The same has been recorded as gain under discontinued operations.

During the previous year ended March 31, 2023, 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 Rs. 185.69 million under discontinued operations.

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-24	31-Mar-23
Gain/(Loss) on settlement of contingencies attributable to the discontinued operations (net)	542.20	185.69
Profit before tax from discontinued operations	**542.20**	**185.69**

Cash flows from discontinued operations

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	(79.95)	182.22
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	**(79.95)**	**182.22**

40.2(i) Disposal of Universal Corporation Limited business (Loss of control)

Universal Corporation Limited, Kenya (UCL) is one of the subsidiairies of the group having its business operations in Kenya and the Group holds 51% investments in its equity shareholding. UCL would have a favourable 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 maximize 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 continued 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 has been accounted as 'Investment in Associates' under equity method.

(a) Fair value of investment on the date of loss of control

₹ In Million

Particulars	31-Mar-24	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**

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(b) Carrying value of assets (other than goodwill) and liabilities derecognised pursuant to loss of control

₹ In Million

Particulars	31-Mar-24	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-24	31-Mar-23
Fair value of investment on the date of loss of control	-	666.51
Net assets disposed off	-	(1,006.00)
Goodwill on consolidation	-	-
Non-controlling interests	-	496.37
Gain on loss of control	**-**	**156.88**

(d) Net cash outflow on disposal

₹ In Million

Particulars	31-Mar-24	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.

Net Assets held for sale

₹ In Million

Particulars	31-Mar-24	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**

During the current year ended March 31, 2024, the said transaction was consummated for an agreed consideration of ₹ 1,016 million, which will be received by September, 2026. It has resulted in a loss of ₹ 74.14 million which has been accounted under exceptional items.

(e) Consideration for sale of the business portfolio

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Deferred consideration	1,016.10	-
Total consideration	**1,016.10**	**-**

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(f) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current assets	17.92	-
Current assets	1,072.32	-
Net assets disposed off	**1,090.24**	**-**

(g) Loss on sale of business

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration agreed	1,016.10	-
Net assets transferred	1,090.24	-
Net Loss	**(74.14)**	**-**

(h) Net cash inflow on disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration received in cash and cash equivalents	-	-
Net cash inflow	**-**	**-**

(ii) Disposal of manufacturing facility at Singapore

During the current year ended March 31, 2024, Strides Pharma Global Pte. Limited, Singapore, entered into a binding agreement with PharmaGend Global Medical Services Pte. Ltd. (formerly known as Rxilient Biohub Pte Ltd)(Rxilient Biohub) for the sale of its manufacturing facility including licenses, equipment, vendor contracts and leases for a total cash consideration of USD 15 million. As part of the transaction, Rxilient Biohub has taken over the long term lease obligation of the manufacturing site from Strides Pharma Global Pte. Limited.

Accordingly, the difference between the carrying value of the assets and the consideration (net off expenses) amounting to ₹ 1,414 million has been accounted as a loss under exceptional items. Details of assets and liabilities disposed off and the calculation of the profit or Loss on disposal are given below:

(a) Consideration for sale of facility

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration received in cash and cash equivalents	993.84	-
Deferred consideration	248.46	-
Total consideration	**1,242.30**	**-**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current assets	4,067.74	-
Current assets	157.17	-
Non-current liabilities*	(1,413.06)	-
Current liabilities	(155.55)	-
Net assets disposed off	**2,656.30**	**-**

* It includes lease liabilities (including lease termination penalty) and asset retirement for obligation

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(c) Loss on disposal of facility

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration for sale of facility	1,242.30	-
Less: Net assets transferred	2,656.30	-
Net Loss on sale of facility	**(1,414.00)**	**-**

(d) Net cash inflow on disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration received in cash and cash equivalents (net of expenses)	860.01	-
Net cash inflow	**860.01**	**-**

(iii) Disposal of Eris Pharma GmbH

During the current year, Strides Pharma International AG, Switzerland (formerly known as Fairmed Healthcare AG) a step down subsidiary of the Group divested its entire equity stake in Eris Pharma GmbH., Germany. Accordingly, the difference between the carrying value of the assets and the consideration (net off expenses) amounting to ₹ 0.50 million has been accounted as a loss under exceptional items. Details of assets and liabilities disposed off and the calculation of the profit or Loss on disposal are given below:

(a) Consideration for divestment of entity

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration received in cash and cash equivalents	17.94	-
Deferred consideration	-	-
Total consideration	**17.94**	**-**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current assets	0.97	-
Current assets	3.76	-
Non-current liabilities	-	-
Current liabilities	(5.03)	-
Net assets disposed off	**9.76**	**-**

(c) Loss on divestment of entity

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration for sale of entity	17.94	-
Net assets transferred	9.76	-
Loss of Non Controlling interest	8.68	-
Net Loss on sale of facility	**(0.50)**	**-**

(d) Net cash inflow on disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration received in cash and cash equivalents	18.02	-
Net cash inflow	**18.02**	**-**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

(iv) Disposal of Strides Pharma Latina, SA De CV, Mexico

During the current year, Strides Pharma Global Pte Limited, Singapore, a step down subsidiary of the Group divested its entire equity stake in Strides Pharma Latina SA De CV, Mexico. Accordingly, the difference between the carrying value of the assets and the consideration (net off expenses) amounting to ₹ 0.66 million has been accounted as a gain under exceptional items. Details of assets and liabilities disposed off and the calculation of the profit or Loss on disposal are given below

(a) Consideration for divestment of entity

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Deferred consideration	0.08	-
Total consideration	**0.08**	**-**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current assets	0.03	-
Current assets	1.28	-
Current liabilities	(1.89)	-
Net assets disposed off	**(0.58)**	**-**

(c) Loss on disposal of entity

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration for sale of entity	0.08	-
Less: Net assets transferred	(0.58)	-
Net Loss on sale of facility	**0.66**	**-**

(d) Net cash inflow on disposal

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Consideration received in cash and cash equivalents	-	-
Net cash inflow	**-**	**-**

41 Commitments

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Estimated amount of contracts remaining to be executed on capital account (Tangible and Intangible assets) and not provided for (net of advances)	839.62	283.75

Notes forming part of the Consolidated financial statements

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42 Contingent liabilities (to the extent not provided for)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
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.	84.25	699.02
- 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.	819.40	588.01
b) Corporate Guarantees (to the extent of outstanding borrowing of the underlying Guarantee) (Refer Note 49)	3,844.68	5,033.72

(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.

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" & "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.

Bio-pharmaceutical Segments represents the business of research, development, manufacture and commercialization of biological drug products in various injectable formats and the end-to-end CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics.

Pharmaceutical segment represents the business of development, manufacture and Commercialization of drug products other than biological drugs.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

43 Segment information (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
A) Segment Revenue		
a) Pharmaceutical business	40,511.24	36,883.87
b) Bio-pharmaceutical business	-	-
Revenue from operations	**40,511.24**	**36,883.87**
B) Interest income		
a) Pharmaceutical business	296.42	745.07
b) Bio-pharmaceutical business	-	-
Revenue from operations	**296.42**	**745.07**
C) Segment Cost		
i) Interest Cost		
a) Pharmaceutical business	3,144.45	2,611.42
b) Bio-pharmaceutical business	-	-
Total	**3,144.45**	**2,611.42**
ii) Depreciation		
a) Pharmaceutical business	2,206.83	2,432.52
b) Bio-pharmaceutical business	-	-
Total	**2,206.83**	**2,432.52**
D) Segment results		
(i) Profit/ (loss) before exceptional items and tax		
a) Pharmaceutical business	2,478.37	161.15
b) Bio-pharmaceutical business	-	-
	2,478.37	**161.15**
(ii) Exceptional items - net gain / (loss)		
a) Pharmaceutical business	(1,890.45)	(361.66)
b) Bio-pharmaceutical business	-	191.34
	(1,890.45)	**(170.32)**
(iii) Share of loss of joint ventures and associates		
a) Pharmaceutical business	(538.01)	(108.38)
b) Bio-pharmaceutical business	(1,219.35)	(2,744.45)
	(1,757.36)	**(2,852.83)**
(iv) Profit/ (loss) before tax		
a) Pharmaceutical business	49.91	(308.89)
b) Bio-pharmaceutical business	(1,219.35)	(2,553.11)
Profit/ (loss) before tax [i+ii+iii]	**(1,169.44)**	**(2,862.00)**
Tax expense	315.90	(553.01)
(v) Profit/(loss) after tax from continuing operations	**(1,485.34)**	**(2,308.99)**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

43 Segment information (Contd.)

Segment assets and liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
i) Segment Assets (Other than investment accounted for using equity method)		
a) Pharmaceutical business	56,501.77	62,519.91
b) Bio-pharmaceutical business	2.81	5.10
Total	**56,504.58**	**62,525.01**
ii) Segment Assets (Investment accounted for using equity method)		
a) Pharmaceutical business	85.85	832.72
b) Bio-pharmaceutical business	1,807.12	3,026.47
Total	**1,892.97**	**3,859.19**
iii) Segment Liabilities		
a) Pharmaceutical business	37,680.49	44,655.37
b) Bio-pharmaceutical business	-	-
Total	**37,680.49**	**44,655.37**

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.

Information regarding geographical revenue from operations is as follows (including discontinued operations):

₹ In Million

	For the year ended	
Geography	**31-Mar-24**	**31-Mar-23**
North America	21,475.83	19,261.39
Australia	3,711.11	3,115.63
Africa	3,906.97	4,506.26
Europe	9,196.52	8,370.28
India	331.28	218.63
Asia (excluding India)	172.38	460.56
Others	116.12	143.94
	38,910.21	**36,076.69**
Revenue from other sources		
Other operating revenue	1,601.03	807.18
Revenue from operations	**40,511.24**	**36,883.87**

Information regarding geographical non-current assets is as follows*:

₹ In Million

	As at	
Geography	**31-Mar-24**	**31-Mar-23**
Africa	1,109.97	1,708.05
Australia	24.09	28.84
Asia (excluding India)	2,733.11	7,442.17
North America	5,982.65	5,790.25
Europe	1,776.61	1,761.10
India	11,914.69	13,630.82
Total	**23,541.12**	**30,361.23**

* Non current assets are excluding financial instruments and deferred tax assets.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

44 The Intra-group loans amounting to GBP 8.77 Million (previous year NIL) given by Strides Pharma Global Pte. Limited, Singapore to the Group company Strides Pharma UK Ltd, 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 loss of ₹ 11.67 Million (previous year: exchange fluctuation gain of ₹ NIL) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

The Intra-group loans amounting to EUR 8.91 Million (previous year EUR 8.91 Million) given by Strides Pharma Global Pte. Limited, Singapore to its subsidiary Strides Pharma International AG, Switzerland (formerly known as Fairmed Healthcare AG), 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 loss of ₹ 2.54 Million (previous year: exchange fluctuation loss of ₹ 3.19 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

The Intra-group loans amounting to ZAR 18.73 Million (previous year ZAR 5.08 Million) given by Strides Pharma (Cyprus) Limited, to its fellow subsidiary Strides Pharma (SA) Pty Ltd., 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 loss of ₹ 4.50 Million (previous year: exchange fluctuation loss of ₹ 1.67 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

The Intra-group loans amounting to USD 3.32 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 loss of ₹ 339.76 Million (previous year: exchange fluctuation loss of ₹ 26.89 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

The Intra-group loans amounting to EUR 6.00 Million (previous year EUR NIL) given by Strides Pharma Global Pte. Limited, Singapore to its subsidiary Strides Pharma International AG, Switzerland (formerly known as Fairmed Healthcare AG), 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 loss of ₹ 4.99 Million (previous year: exchange fluctuation loss of ₹ NIL) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Further, during previous year Intra-group loans amounting to NIL given by Strides Pharma International AG, Switzerland (formerly known as Fairmed Healthcare AG), 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 ₹ NIL (previous year: ₹ 37.59 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. The outstanding as of current year is NIL.

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 10,000 options (Previous year: 442,500) under this scheme during the current year.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

45 Share-based payments (Contd.)

(b) During the current year, Employee compensation costs of ₹ 15.86 Million (for the year ended March 31, 2023: ₹ 16.03 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 XVI is ₹ 377.60. 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-XVI
No. of options	10,000
Grant date share price	₹ 377.60
Exercise price	₹ 283.50
Expected volatility	38.39%
Option life	3 years
Expected Dividend %	20.00%
Risk-free interest rate	6.990%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2023-24		During the year 2022-23	
	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:	3,70,000	237.55	1,35,250	393.98
Granted during the year:	10,000	283.50	4,42,500	234.21
Exercised during the year**:	(54,500)	252.05	(46,500)	294.06
Lapsed/ cancelled during the year:	(61,500)	237.14	(1,61,250)	351.10
Options outstanding at the end of the year:*	2,64,000	236.39	3,70,000	237.55
Options available for grant:	23,60,950	-	23,09,450	-

* Includes options vested but not exercised as at March 31, 2024 : Nil (March 31, 2023: Nil)

** Includes options exercised but not allotted as at March 31, 2024 : 5,000 (March 31, 2023: Nil)

The weighted average remaining contractual life is 1.81 years (March 31, 2023: 2.51 years) and the range of exercise price is ₹ 231 to ₹ 311 (March 31, 2023: ₹ 231 to ₹ 599)

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 ₹ 203.72 Million (previous year: ₹ 184.43

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

46 Employee Benefits Plans (Contd.)

Million) for provident fund contributions, ₹ 2.62 Million (previous year: ₹ 2.28 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 Employees of the Group also participate in an employee retirement savings plan (the “401K Plan”) under Section 401(K) of the United States Internal Revenue Code. The 401K Plan allow employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the 401K Plan. The 401K Plan does not provide for any matching contributions from the Group. For the year ended March 31, 2024, the Group recorded contributions of ₹ 47.86 Million (previous year ₹ 54.45 Million)

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 impact of longevity risk will depend on whether the benefits are paid before retirement age or after . Typically for the benefits paid on or before the retirement age , the longevity risk is not very material. 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-24	31-Mar-23
Discount rate(s)	7.17% - 7.23%	7.30% - 7.36%
Expected rate(s) of salary increase	6% - 8%	8%
Attrition Rate	5% - 20%	5% - 20%
Mortality Rate	As per IALM (2012-14) ultimate	
Retirement age (years)	58 years	58 years

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

46 Employee Benefits Plans (Contd.)

Amounts recognised in respect of these defined benefit plans are as follows:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Service cost:		
Current service cost	57.28	72.87
Net interest expense	27.08	28.23
Components of defined benefit costs recognised in statement of profit and loss	**84.36**	**101.10**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	(5.15)	(2.43)
Actuarial (gains) / losses arising from changes in demographic assumptions	0.82	(18.57)
Actuarial (gains) / losses arising from changes in financial assumptions	5.49	(61.15)
Actuarial (gains) / losses arising from experience adjustments	54.67	(8.03)
Components of defined benefit costs recognised in other comprehensive income	**55.83**	**(90.18)**
Total	**140.19**	**10.92**

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-24	31-Mar-23
Present value of funded defined benefit obligation	636.12	506.00
Fair value of plan assets	(100.57)	(103.28)
Funded status	**535.55**	**402.72**
Disclosed in liabilities directly attributable to the assets held for sale	-	-
Net liability arising from defined benefit obligation	**535.55**	**402.72**

Movements in the present value of the defined benefit obligation are as follows:

₹ In Million

	Year ended	
Particulars	**31-Mar-24**	**31-Mar-23**
Opening defined benefit obligation	506.00	575.73
Add/(less) on account of acquisitions / business transfers	10.59	-
(Less): Pursuant to the scheme of demerger	-	-
Expenses recognised in statement of profit and loss		
Current service cost	57.28	72.87
Interest cost	34.62	37.69
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	0.82	(18.57)
Actuarial gains and losses arising from changes in financial assumptions	5.49	(61.15)
Actuarial gains and losses arising from experience adjustments	54.67	(8.03)
Benefits paid	(33.35)	(73.74)
Acquisition/divestiture	-	(18.80)
Closing defined benefit obligation	**636.12**	**506.00**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

46 Employee Benefits Plans (Contd.)

Movements in the fair value of the plan assets are as follows:

₹ In Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Opening fair value of plan assets	103.28	138.80
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	7.54	9.46
Contributions from the employer	9.00	-
Actuarial gain / (loss) on plan assets	5.15	2.43
Benefits paid	(24.40)	(47.40)
Closing fair value of plan assets	**100.57**	**103.28**

Details of Plan Assets:

₹ In Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
The weighted-average asset allocations at the year end were as follows:		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company	100%	100%
Others	0%	0%
Total	**100%**	**100%**
Actual Return on Plan Assets	6.35%	5.94%

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 ₹ 668.98 Million (₹ 487.77 Million) as at March 31, 2024.

If the expected salary growth increases / (decrease) by 1%, the defined benefit obligation would be ₹ 672.32 Million (₹ 534.30 Million) as at March 31, 2024.

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 Group to manage its risks from prior periods.

Expected Company Contributions for the FY 24-25 is ₹ 95.63 million

Notes forming part of the Consolidated financial statements

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46 Employee Benefits Plans (Contd.)

Maturity profile of Defined Benefit Obligation

₹ In Million

Financial Year	Amount
2024-25	101.43
2025-26	88.03
2026-27	93.23
2027-28	80.10
2028-29	73.77
2029-30 to 2033-34	275.52
Average Expected Future Working life (Years)	8.07

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-24	31-Mar-23
Gross carrying amount of assets leased	134.99	134.99
Accumulated depreciation	(18.88)	(12.38)
Future minimum lease income:		
Not later than 1 year	-	2.78
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**2.78**

Refer note 6

48 Earnings per share

₹ In Million

	Year ended	
Particulars	**31-Mar-24**	**31-Mar-23**
Basic earnings per share:		
From continuing operations	(13.72)	(24.56)
From discontinued operations	5.96	2.07
Total basic earnings per share	**(7.76)**	**(22.49)**
Diluted earnings per share:		
From continuing operations	(13.72)	(24.56)
From discontinued operations	5.95	2.07
Total diluted earnings per share	**(7.76)**	**(22.49)**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

48 Earnings per share (Contd.)

Earnings used in computing basic and diluted earnings per share

₹ In Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Profit/(loss) attributable to the equity holders of the Company		
From continuing operations	(1,248.34)	(2,212.04)
From discontinued operations	542.20	185.69
Total operations	**(706.14)**	**(2,026.35)**

Weighted average number of shares used as the denominator

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Weighted average number of equity shares used as denominator in calculating basic earnings per share	**91,001,818**	**90,080,778**
Adjustments for calculation of diluted earnings per share:		
- employee stock options	124,741	4,833
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	**91,126,559**	**90,085,611**

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.

49. Related Party Transactions : List of the Related Parties

Relationship	Name
Associates	Aponia Laboratories Inc, USA
	Regional Bio Equivalence Centre S.C., Ethiopia
	OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
	Stelis Biopharma UK Private Limited (with effect from Nov 30, 2022)
	Stelis Pte. Ltd., Singapore
	Biolexis Pte. Ltd, Singapore
	Biolexis Private Limited, India
	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)
	Universal Corporation Limited, Kenya (with effect from September 30, 2022)
	Neviton Softech Private Limited (from August 5, 2022 to January 4, 2024)
	Neviton Technologies Inc.(upto January 4,2024)

Notes forming part of the Consolidated financial statements

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49. Related Party Transactions : List of the Related Parties (Contd.)

Relationship	Name
Enterprises controlled or significantly influenced by key management personnel and relative of key management personnel	Agnus Capital LLC, India
	Agnus Ventures LLC, 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)
	KR Anuradha
	Naari Pharma Private Limited, India
	Naari Pte Ltd., Singapore
	Shasun USA Inc, USA
	Six Rays LLC, India
	Six Rays Pharma Solutions LLC, 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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions : List of the Related Parties (Contd.)

Relationship	Name
	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 Pte. Limited, Singapore
	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)
	White Crow Research Private Limited, India
	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
Joint Ventures (JV)	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
	Mr.Ameet Hariani, Independent Director
	Ms. Manjula Ramamurthy, Company Secretary

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
Other Financial Assets (Liabilities) and Other Assets (Liabilities):							
1	Naari Pharma Private Limited	-	-	-	-	0.20	0.40
2	Shasun USA Inc	-	-	-	-	13.84	13.65
3	Sihuan Strides (HK) Limited,	(40.31)	(124.04)	-	-	-	-
4	Solara Active Pharma Sciences Limited	-	-	-	-	1.57	1.55
5	OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	35.41	4.62	-	-	-	-
6	Tenshi Pharmaceuticals Private Limited	-	-	-	-	3.25	3.27
7	Velbiom Probiotics Private Limited	-	-	-	-	5.86	5.86
8	Tenshi Kaizen Private Limited	-	-	-	-	0.25	6.44
9	Mr. Arun Kumar	-	-	-	-	-	-
10	Dr. R Ananthanarayanan	-	-	24.54	-	-	-
11	Mr.Ameet Hariani	-	-	(0.20)	-	-	-
12	Mr. S.Sridhar	-	-	(0.20)	-	-	-
13	Mr. Homi Rustam Khusrokhan	-	-	(0.20)	-	-	-
14	Mr. Bharat D Shah	-	-	(0.20)	-	-	-
15	Dr. Kausallya Santhanam	-	-	(0.20)	-	-	-
16	Atma Projects	-	-	-	-	-	29.50
17	Chayadeep Properties Private Limited	-	-	-	-	-	12.16
18	Sterisciencе Pte Ltd	-	-	-	-	3.22	0.58
19	Universal Corporation Limited	1,305.05	43.95	-	-	-	-
20	Neviton Softech Pvt Ltd	-	(7.57)	-	-	-	-
21	Tenshi Kaizen USA Inc	-	-	-	-	0.00	-
Loans receivable as at:							
1	OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	535.46	-	-	-	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Related party closing balances (Contd.)

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
Balance of deposits paid:						
1 Atma Projects	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	21.88	20.77
3 K.R. Anuradha	-	-	-	-	46.07	46.07
Balance of deposits received:						
1 Solara Active Pharma Sciences Limited	-	-	-	-	7.20	7.20
2 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.05	0.10
Balance of (trade payables) net of advance paid as at:						
1 Aurore Life Sciences Private Limited	-	-	-	-	(71.66)	(22.19)
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	(1.18)	(54.34)
3 Chayadeep Properties Private Limited	-	-	-	-	0.52	-
4 Naari Pharma Private Limited	-	-	-	-	(0.05)	3.68
5 Naari Pte Ltd.	-	-	-	-	(16.66)	(8.30)
6 Solara Active Pharma Sciences Limited	-	-	-	-	(949.91)	(2,147.84)
7 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	(9.73)	5.64	-	-	-	-
8 Tenshi Kaizen Private Limited	-	-	-	-	0.14	(4.73)
9 Neviton Softech Pvt Ltd	-	(12.88)	-	-	-	-
10 Universal Corporation Limited	(255.62)	(16.21)	-	-	-	-
11 Steriscience Specialties Private Limited	-	-	-	-	(1.22)	-
12 Whitecrow Research Private Limited	-	-	-	-	(1.17)	-
13 Steriscience Pte Ltd	-	-	-	-	(121.97)	-
Balance of trade receivables (net of advance received) as at:						
1 Aurore Life Sciences Private Limited	-	-	-	-	0.95	0.16
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	2.59	-
3 Biolexis Pte Ltd	-	-	-	-	4.11	4.05
4 Brooks Steriscience Limited	-	-	-	-	17.54	6.19

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Related party closing balances (Contd.)

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
5	Naari Pharma Private Limited	-	-	-	-	6.17	1.21
6	Sihuan Strides (HK) Ltd	12.46	64.75	-	-	-	-
7	Six Rays LLC	-	-	-	-	0.70	0.23
8	Six Rays Pharma Solutions	-	-	-	-	0.52	0.39
9	Six Rays Pte. Limited	-	-	-	-	0.09	0.25
10	Sixrays Holdings Pte Ltd	-	-	-	-	0.26	0.23
11	Solara Active Pharma Sciences Limited	-	-	-	-	0.19	42.99
12	OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	297.49	122.88	-	-	-	-
13	Steribrooks Penems Private Limited	-	-	-	-	-	0.09
14	Steriscience Pte Ltd	-	-	-	-	138.44	46.87
15	Steriscience Specialties Private Limited	-	-	-	-	219.45	141.14
16	Tenshi Kaizen Private Limited	-	-	-	-	56.61	74.12
17	Tenshi Kaizen Pharma Pte Ltd	-	-	-	-	-	0.21
18	Tenshi Life Sciences Pte Ltd	-	-	-	-	0.09	0.17
19	Tenshi Pharmaceuticals Private Limited	-	-	-	-	30.84	28.38
20	Universal Corporation Limited	51.46	18.18	-	-	-	-
21	Y Usha Rani	-	-	-	-	0.36	0.16
22	Agnus Capital LLC	-	-	-	-	-	0.77
23	Agnus Ventures LLC	-	-	-	-	-	0.03
24	Biolexis Private Limited	11.02	11.02	-	-	-	-
25	Chayadeep Properties Private Limited	-	-	-	-	-	0.32
26	Hydra Active Pharma Sciences	-	-	-	-	0.94	0.94
27	Steriscience Spolka	-	-	-	-	8.61	4.43
28	Tenshi Healthcare Pte.Limited	-	-	-	-	-	0.50
29	Velbiom Probiotics Private Limited	-	-	-	-	1.16	0.35
Guarantees given on behalf of							
1	OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	8,910.00	11,778.67	-	-	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Transactions during the year

₹ In Million

Particulars	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Sales of materials/services (net of returns)						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	50.55	0.07	-	-	-	-
2 Sihuan Strides (HK) Limited	12.25	16.12	-	-	-	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	8.00	0.10
4 Steriscience Specialties Private Ltd	-	-	-	-	71.07	47.63
5 Strides Consumer LLC	-	9.35	-	-	-	-
6 Strides Consumer Private Limited	-	10.56	-	-	-	-
7 Strides Global Consumer Healthcare Limited	-	12.13	-	-	-	-
8 Tenshi Kaizen Private Limited	-	-	-	-	-	0.08
9 Universal Corporation Limited	48.69	3.06	-	-	-	-
Sale of Property, plant and equipment						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	-	1.03	-	-	-	-
2 Steriscience Pte Ltd	-	-	-	-	-	49.15
3 Brooks Steriscience Private Limited	-	-	-	-	1.32	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	-	0.47
Purchase of Property, plant and equipment						
1 Neviton Softech Pvt Ltd	-	10.09	-	-	-	-
2 Naari Pharma Private Limited	-	-	-	-	0.04	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	-	0.21
4 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	6.64	3.24	-	-	-	-
Guarantee Commission received						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	48.78	59.49	-	-	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Transactions during the year (Contd.)

₹ In Million

Particulars	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Rental income						
1 Solara Active Pharma Sciences Limited	-	-	-	-	16.74	16.01
2 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	-	1.21	-	-	-	-
3 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.05	0.17
4 Strides Consumer Private Limited	-	0.30	-	-	-	-
Interest income						
1 Strides Consumer Private Limited	-	1.00	-	-	-	-
2 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	59.47	0.43	-	-	-	-
Support service income						
1 Agnus Capital LLC	-	-	-	-	-	0.71
2 Aurore Life Sciences Private Limited	-	-	-	-	2.40	-
3 Axxelent Pharma Science Private Limited	-	-	-	-	-	1.68
4 Brooks Steriscience Private Limited	-	-	-	-	5.05	4.90
5 Dairy Power Limited	-	-	-	-	-	0.38
6 Hydra Active Pharma Science Private Limited	-	-	-	-	0.80	0.80
7 Naari Pharma Private Limited	-	-	-	-	43.55	22.36
8 Naari Pharma Pte Limited	-	-	-	-	-	22.23
9 Six Rays LLC	-	-	-	-	0.60	0.60
10 Six Rays Pharma Solutions LLC	-	-	-	-	0.60	0.97
11 Six Rays Pte. Limited	-	-	-	-	0.34	0.33
12 Sixrays Holdings Pte Ltd	-	-	-	-	0.35	0.34
13 Solara Active Pharma Sciences Limited	-	-	-	-	65.12	70.94
14 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	220.92	162.04	-	-	-	-
15 Steribrooks Penems Private Limited	-	-	-	-	(0.08)	0.38

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Transactions during the year (Contd.)

₹ In Million

Particulars	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
16 Steriscience Pte Ltd	-	-	-	-	86.07	73.20
17 Biolexis Private Limited	-	10.20	-	-	-	-
18 Agnus Ventures LLC	-	-	-	-	-	0.03
19 Chayadeep Properties Private Limited	-	-	-	-	-	0.33
20 Emerge Vocational Skills Private Limited	-	-	-	-	-	0.05
21 Steriscience Spolka	-	-	-	-	4.10	4.43
22 Steriscience Specialties Private Ltd	-	-	-	-	122.93	92.60
23 Strides Consumer LLC	-	0.50	-	-	-	-
24 Strides Consumer Private Limited	-	1.21	-	-	-	-
25 Strides Global Consumer Healthcare Limited	-	1.68	-	-	-	-
26 Tenshi Kaizen Private Limited	-	-	-	-	56.87	52.81
27 Tenshi Life Science Pte Ltd	-	-	-	-	0.34	0.33
28 Tenshi Pharmaceuticals Private Limited	-	-	-	-	31.74	33.85
29 Triphase Pharmaceuticals Pvt Ltd	-	-	-	-	-	0.48
30 Velbiom Probiotics Private Limited	-	-	-	-	1.20	1.20
31 Universal Corporation Limited	4.36	1.99	-	-	-	-
32 Tenshi Healthcare Pte.Limited	-	-	-	-	-	0.34
33 Y Usha Rani	-	-	-	-	1.75	1.69
34 Aurore Pharmaceuticals Private Limited	-	-	-	-	2.40	-
Support service expense						
1 Strides Consumer Private Limited	-	0.40	-	-	-	-
Purchase of materials/services						
1 Aurore Life Sciences Private Limited	-	-	-	-	182.45	116.00
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	0.98	32.28
3 Naari Pte Ltd.	-	-	-	-	28.06	10.88
4 Solara Active Pharma Sciences Limited	-	-	-	-	1,595.71	2,252.40
5 Steriscience Pte Ltd	-	-	-	-	464.36	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Transactions during the year (Contd.)

₹ In Million

Particulars		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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
6	Strides Global Consumer Healthcare Limited	-	1.49	-	-	-	-
7	Tenshi Kaizen Private Limited	-	-	-	-	19.82	10.96
8	Venkata Narayana Active Ingredients	-	-	-	-	-	7.08
9	Neviton Softech Pvt Ltd	-	6.75	-	-	-	-
10	Universal Corporation Limited	196.63	0.61	-	-	-	-
11	Steri Science Specialties Private Limited	-	-	-	-	0.59	-
Purchase / (returns) of Intangibles							
1	Stelis Biopharma Limited	-	-	-	-	-	-
Short Term Employee Benefits paid to (Refer note (i) below)							
1	Mr. Arun Kumar	-	-	120.00	-	-	-
2	Mr. Badree Komandur	-	-	44.00	36.50	-	-
3	Ms. Manjula Ramamurthy	-	-	6.85	5.86	-	-
4	Mr.Aditya Kumar			7.50			
Sitting Fees paid to							
1	Dr. Kausalya Santhanam	-	-	3.99	2.81	-	-
2	Mr. Deepak Vaidya	-	-		0.70	-	-
3	Mr. S.Sridhar	-	-	2.00	1.20	-	-
4	Mr.Ameet Hariani			0.40			
5	Mr. Homi Rustam Khusrokhan	-	-	2.00	1.20	-	-
6	Mr. Bharat D Shah	-	-	2.00	1.20	-	-
Remuneration to Non-executive directors							
1	Dr. Kausallya Santhanam	-	-	1.00	-	-	-
2	Mr. S.Sridhar	-	-	1.00	-	-	-
3	Mr. Homi Rustam Khusrokhan	-	-	1.00	-	-	-
4	Mr. Bharat D Shah	-	-	1.00	-	-	-
Lease Payments							
1	Atma Projects	-	-	-	-	99.98	94.32
2	Chayadeep Properties Private Limited	-	-	-	-	31.54	29.76
3	K.R. Anuradha	-	-	-	-	21.26	21.26

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Transactions during the year (Contd.)

₹ In Million

Particulars	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Loans / advances given / repaid by the Group						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	707.59	36.00	-	-	-	-
Loans / advances taken by Company / repaid to the Group						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	207.59	36.00	-	-	-	-
Reimbursement of expenses incurred on behalf of						
1 Naari Pharma Private Limited	-	-	-	-	-	2.53
2 Solara Active Pharma Sciences Limited	-	-	-	-	5.96	10.84
3 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	33.59	32.41	-	-	-	-
4 Steriscience Pte Ltd	-	-	-	-	54.88	0.57
5 Steriscience Specialties Private Ltd	-	-	-	-	14.03	20.75
6 Strides Consumer Private Limited	-	0.51	-	-	-	-
7 Strides Consumer LLC	-	4.71	-	-	-	-
8 Strides Global Consumer Healthcare Limited	-	1.67	-	-	-	-
9 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.04	0.02
10 Tenshi Kaizen Private Limited	-	-	-	-	4.42	10.69
11 Universal Corporation Limited	9.51	2.51	-	-	-	-
12 Naari Pte Ltd	-	-	-	-	20.63	24.77
13 Brooks Steriscience Private Limited	-	-	-	-	4.77	-
Reimbursement of expenses incurred by						
1 Chayadeep Properties Private Limited	-	-	-	-	-	3.16
2 Solara Active Pharma Sciences Limited	-	-	-	-	133.36	122.92
3 Strides Consumer Private Limited	-	0.01	-	-	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

49. Related Party Transactions: Transactions during the year (Contd.)

₹ In Million

Particulars	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
4 Strides Global Consumer Healthcare Limited	-	0.49	-	-	-	-
5 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	-	5.60	-	-	-	-
6 Aurore Pharmaceuticals Private Limited	-	-	-	-	0.02	0.11
7 Steriscience Specialties Private Ltd	-	-	-	-	15.17	0.18
8 Tenshi Kaizen Private Limited	-	-	-	-	0.15	6.37
9 Axxelent Pharma Science Private Limited	-	-	-	-	-	3.49
10 Naari Pharma Private Limited	-	-	-	-	3.71	0.17
11 Universal Corporation Limited	26.87	-	-	-	-	-
12 Whitecrow Research Private Limited	-	-	-	-	6.96	-
Investments during the year						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	-	970.09	-	-	-	-
Guarantee / Security given						
1 OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)	-	1,954.80	-	-	-	-
Guarantee / Security repaid						
1 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.09	-

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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

50 Subsidiary information

50.1 Details of the Group's subsidiaries at the end of the reporting period are as follows:

₹ In Million

Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				31-Mar-24	31-Mar-23
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	Beltapharm S.P.A	Manufacturing and trading in pharmaceutical products	Italy	97.94%	97.94%
6	Eris Pharma GmbH^^	Trading in Pharmaceutical products	Germany	0.00%	70.00%
7	Strides Pharma International AG (Formerly referred as "Fairmed Healthcare AG, Switzerland")	Trading in Pharmaceutical products	Switzerland	70.00%	70.00%
8	Fairmed Healthcare GmbH	Trading in Pharmaceutical products	Germany	70.00%	70.00%
9	Generic Partners UK Ltd	Trading in pharmaceutical products	UK	100.00%	100.00%
10	PharmaPar Inc.	Trading in pharmaceutical products	Canada	100.00%	100.00%
11	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	100.00%
12	Strides Arcolab International Ltd.	Investment Holding	UK	100.00%	100.00%
13	Strides CIS Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
14	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-
15	Strides LifeSciences Limited	Trading in pharmaceutical products	Nigeria	100.00%	100.00%
16	Strides Netherlands B.V.	Trading in pharmaceutical products	Netherlands	100.00%	100.00%
17	Strides Nordics ApS	Trading in pharmaceutical products	Denmark	100.00%	100.00%
18	Strides Pharma (Cyprus) Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
19	Strides Pharma (SA) Pty Ltd.	Trading in pharmaceutical products	South Africa	51.76%	60.00%
20	Strides Pharma Global (UK) Ltd.	Investment Holding	UK	100.00%	100.00%
21	Strides Pharma Asia Pte. Ltd.	Investment Holding	Singapore	100.00%	100.00%

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

50 Subsidiary information

50.1 Details of the Group's subsidiaries at the end of the reporting period are as follows: (Contd.)

₹ In Million

SI. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				31-Mar-24	31-Mar-23
22	Strides Pharma Science Pty Ltd	Trading in pharmaceutical products	Australia	100.00%	100.00%
23	Strides Pharma Canada Inc.	Trading in pharmaceutical products	Canada	100.00%	100.00%
24	Strides Pharma Global Pte. Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%
25	Strides Pharma Inc.	Manufacturing and trading in pharmaceuticals products	USA	100.00%	100.00%
26	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%
27	Strides Pharma UK Ltd.	Trading in pharmaceutical products	UK	100.00%	100.00%
28	Strides Pharma Latina, SA De CV@	Trading in pharmaceutical products	Mexico	0.00%	80.00%
29	Strides Pharma Services Private Limited	Providing business support services in pharmaceutical and biopharmaceutical sectors	India	100.00%	100.00%
30	SVADS Holdings SA	Develop and trade in pharmaceutical products	Switzerland	100.00%	100.00%
31	Trinity Pharma (Pty) Ltd.	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
32	Universal Corporation Limited^	Manufacturing, development and trading in pharmaceuticals products	Kenya	49.00%	49.00%
33	Vensun Pharmaceuticals, Inc.	Develop and trade in pharmaceutical products	USA	100.00%	100.00%
34	Strides Alathur Private Limited (Formerly referred as "Vivimed Life Sciences Private Limited")	Manufacturing, development and trading in pharmaceuticals products	India	100.00%	100.00%
35	Strides Softgels Pte Ltd*	Trading in pharmaceutical products	Singapore	100.00%	0.00%
36	UCL Brands Limited*	Trading in pharmaceutical products	Kenya	51.00%	0.00%
37	Neviton Softech Private Limited**	Engineering and Information Technology	India	50.00%	25.00%
38	Neviton Technologies Inc.,**	Engineering and Information Technology	USA	50.00%	25.00%

Notes

^ Ceased to be subsidiary with effect from September 30, 2022 (Refer note 40.2)

* Incorporated during the year

** Subsidiary with effect from January 5, 2024 (Refer note 39)

^^ Ceased to be subsidiary with effect from January 30, 2024 (Refer note 40.2)

@ Ceased to be subsidiary with effect from March 31, 2024 (Refer note 40.2)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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 current year, the Company acquired Strides Pharma Services Private limited, India from Arco Lab Private limited, India, which is one of the wholly owned subsidiaries of the Group. The restructuring had no impact on Consolidated financial statements, since this entity was already being consolidated.

b) During the current year, the Trinity Pharma (Pty) Ltd acquired 100% stake in Strides Pharma (SA) Pty Ltd, 60% from Strides Pharma (Cyprus) Limited and balance 40% from Juno Pharma South Africa Proprietary Limited. The restructuring had no impact on Consolidated financial statements, since this entity was already being consolidated.

c) During the previous 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 accounts 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 current year, UCL Brands Limited (UBL), Kenya was incorporated as subsidiary of Strides Pharma Global Pte. Limited, Singapore. Accordingly in these financial statements, the UBL financial statements are consolidated.

b) During the year, Strides Softgel Pte. Limited, Singapore was incorporated as wholly owned subsidiary of Strides Pharma Service Private Limited, India. Accordingly in these financial statements, Strides Softgels Pte. Ltd. financial statements are consolidated.

c) During the year, Stelis Pte. Limited, Singapore was incorporated as wholly owned subsidiary of OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) , India, an associate of the company.

d) During the previous year, Strides Pharma Services Private limited, India was incorporated as wholly owned subsidiary of Arco Lab Private Limited, India

(iii) Following entities have been merged with other entities within the Group:

a) During the previous 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 previous 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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

51 Financial instruments

51.1 Categories of financial instruments

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity investments	1,100.01	508.40
Measured at amortised cost		
(a) Cash and bank balances	1,911.66	3,159.63
(b) Loans	627.34	77.80
(c) Trade receivables	11,418.74	12,994.02
(d) Other financial assets at amortised cost	3,050.34	1,290.01
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	61.40	36.42
(b) Investments in certain equity instruments designated upon initial recognition	76.31	530.41
Financial liabilities:		
Measured at fair value through profit or loss (FVTPL)		
(a) Gross obligation under written put option	80.69	74.84
(b) Other financial liabilities	94.88	138.41
Measured at amortised cost		
(a) Borrowings (including current maturities of non-current borrowings)	24,145.25	27,744.59
(b) Security deposit	7.20	11.96
(c) Trade payables	8,515.92	9,823.43
(d) Unclaimed dividends	8.17	9.72
(e) Payables on purchase of property, plant and equipments and intangible assets	99.24	72.13
(f) Payables on purchase of non-current investments	47.88	131.61
(g) Lease liabilities	1,023.40	2,551.13
(h) Other financial liabilities	518.95	587.05
Measured at FVTOCI		
(a) Derivative financial liabilities	10.59	55.48

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).

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

51 Financial instruments (Contd.)

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 31-Mar-24	Fair value as at 31-Mar-23	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	61.40	36.42	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. The discount rate assumed is 15.50%.
Investment in Mutual fund (quoted)	1,057.58	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)	76.31	20.83	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	80.69	74.84	Level 3	The said obligation under put options are valued basis expected pay-out. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate - 6.60%). Refer note (a) below
Contingent consideration payable	94.88	108.41	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. The discount rate assumed is 11.89%
Cash settled share based payments (FVTPL)	-	30.00	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 (FVTOCI)	10.59	55.48	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.

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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

51 Financial instruments (Contd.)

Reconciliation of Level 3 fair value measurements

a) Gross obligation under put options

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Opening balance	74.84	242.88
Less: Exercise of put options	-	-
Add: Cancellation / losses in the statement of profit and loss (unrealised)	4.97	(172.25)
Add: Currency translations in other comprehensive income	0.88	4.21
Closing balance	**80.69**	**74.84**

If the discount rate increases by 1%, the gross obligation liability would be ₹ 78.45 Million

b) Contingent consideration payable

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Opening balance	108.41	473.63
Add: Contingent consideration on new acquisitions during the year	38.33	-
Add: Unwinding / fair valuation in the statement of profit and loss (unrealised)	(53.06)	(396.34)
Less: Currency translations in other comprehensive income	1.20	31.12
Closing balance	**94.88**	**108.41**

If the discount rate increases by 1%, the contingent consideration payable would be ₹ 93.93 Million

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 amortized cost will reasonably approximate their fair values.

₹ In Million

Particulars	31-Mar-24		31-Mar-23	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans receivable	627.34	627.34	77.80	77.80
Security deposit	733.84	782.08	334.07	383.71
Financial liabilities				
Borrowings	24,145.25	24,210.01	27,744.59	27,885.80

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 minimize 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:

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

51 Financial instruments (Contd.)

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.

51.3.1 Forward exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover 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 not designated in a cash flow hedge

₹ In Million

Outstanding contracts	Average forward rate (in ₹)	Foreign currency (In million)	Nominal amounts (₹ In million)	Fair value assets/ (liabilities) (₹ In million)
As at March 31, 2024				
Sell EUR				
Less than 3 months	95.00	3.00	284.99	299.08
3 to 6 months	95.49	1.00	95.49	100.19
6 to 12 months	-	-	-	-
Total			**380.48**	**399.27**

Contracts designated in a cash flow hedge

₹ In Million

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, 2024					
Sell USD					
Less than 3 months	Forecasted sales	-	-	-	-
3 to 6 months		84.56	2.00	169.11	170.30
6 to 12 months		85.07	16.00	1,360.75	1,370.05
More than 12 months		85.97	51.00	4,382.51	4,386.61
Sell EUR					
Less than 3 months	Forecasted sales	94.02	3.00	282.05	293.23
3 to 6 months		94.51	1.00	94.51	98.25
6 to 12 months		-	-	-	-
Sell GBP					
Less than 3 months	Forecasted sales	105.94	3.80	402.46	404.98
3 to 6 months		-	-	-	-
6 to 12 months		-	-	-	-
Total				**6,691.39**	**6,723.42**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

51 Financial instruments (Contd.)

₹ In Million

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**

The line-items in the Consolidated balance sheet that include the above hedging instruments are “Other financial assets”.

The details of unhedged foreign currency exposure are as follows:

Amounts In Million

Amount receivable/(payable)	As at 31-Mar-24		As at 31-Mar-23	
Exposure to the Currency	**in foreign Currency**	**in INR**	**in foreign Currency**	**in INR**
USD	68.72	5,729.31	46.44	3,817.14
AUD	34.52	1,876.59	33.01	1,814.10
EUR	9.52	858.04	32.17	2,866.16
GBP	12.10	1,273.29	4.84	490.35
SGD	0.39	24.07	(25.65)	(1,584.18)
Others	27.13	54.06	15.03	249.48

51.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include loans in foreign currencies, 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:

Amounts In Million

Particulars	Increase / (decrease) in profit		Increase / (decrease) in equity	
	31-Mar-24	**31-Mar-23**	**31-Mar-24**	**31-Mar-23**
Appreciation in the USD	286.47	190.86	180.71	131.10
Depreciation in the USD	(286.47)	(190.86)	(180.71)	(131.10)
Appreciation in the EUR	42.90	143.31	37.63	102.48
Depreciation in the EUR	(42.90)	(143.31)	(37.63)	(102.48)
Appreciation in the AUD	93.83	90.70	56.89	58.81
Depreciation in the AUD	(93.83)	(90.70)	(56.89)	(58.81)
Appreciation in the GBP	63.66	24.52	48.89	9.75
Depreciation in the GBP	(63.66)	(24.52)	(48.89)	(9.75)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

51 Financial instruments (Contd.)

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.

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 ₹ 242.10 Million (Previous year : ₹ 278.86 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.

51.5 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, 2024 would increase/decrease by ₹ 0.56 Million (for the year ended March 31, 2023: increase/decrease by ₹ 1.04 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.

Notes forming part of the Consolidated financial statements

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51 Financial instruments (Contd.)

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:

Amounts In Million

	31-Mar-24		31-Mar-23	
Age of receivables	**Trade receivable**	**Expected credit loss allowance**	**Trade receivable**	**Expected credit loss allowance**
Within Credit	8,173.98	50.23	10,456.67	40.15
Less than 180 Days	2,095.89	119.32	1,734.72	60.82
180-360 Days	781.98	104.71	438.87	55.92
360-540 Days	448.23	56.14	298.86	112.92
540-720 Days	174.88	88.68	92.24	66.19
Over 720 Days	244.16	81.30	424.95	116.29
Total	**11,919.12**	**500.38**	**13,446.31**	**452.29**

Movement in Expected credit loss allowance

Amounts In Million

Particulars	**31-Mar-24**	**31-Mar-23**
Balance at beginning of the year	452.29	422.24
Written off / provided during the year	175.67	344.17
Movement in Expected credit loss allowance on trade receivables (including reclassification, exchange)	(127.58)	(314.12)
Balance at end of the year	**500.38**	**452.29**

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.

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51 Financial instruments (Contd.)

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.

₹ 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, 2024	17,408.80	1,325.13	933.34	389.35	3,762.28	391.12	24,210.02	24,145.25
- 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
Interest payable on borrowings								
- As on March 31, 2024	113.65	-	-	-	-	-	113.65	113.65
- As on March 31, 2023	159.26	-	-	-	-	-	159.26	159.26
Lease Liabilities								
- As on March 31, 2024	319.86	321.35	279.73	147.80	76.88	125.02	1,270.64	1,023.40
- As on March 31, 2023	532.48	387.04	395.80	355.75	220.56	1,940.38	3,832.01	2,551.13
Trade and other payable not in net debt								
- As on March 31, 2024	9,140.05	45.53	-	-	-	-	9,185.58	9,178.59
- As on March 31, 2023	10,590.22	41.43	-	-	-	-	10,631.65	10,615.05

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 9,11,17, 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, 2024 is 1.02 (March 31, 2023: 1.11).

The Group is not subject to any externally imposed capital requirements.

51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Debt (i)	24,145.25	27,744.59
Less:		
Investment in Mutual funds	1,057.58	508.40
Investment in Equity	42.43	-
Cash and bank balances	1,911.66	3,159.63
Fixed deposits with banks with more than 12 months maturity	45.77	31.96
Net Debt (A)	**21,130.24**	**24,044.60**
Total Equity (B)	**20,717.06**	**21,728.83**
Net debt to equity ratio (A/B)	**1.02**	**1.11**

(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.

Notes forming part of the Consolidated financial statements

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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.

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, 2024

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	43.20%	35,611.23	-70.63%	654.91	-0.25%	(1.28)	-160.60%	653.63
Indian Subsidiaries:								
Arco Lab Private Limited	1.80%	1,481.28	-13.75%	127.47	0.17%	0.86	-31.53%	128.33
Strides Pharma Services Private limited	0.00%	0.30	0.03%	(0.32)	0.00%	-	0.08%	(0.32)
Strides Foundation Trust	0.02%	20.36	0.07%	(0.68)	0.00%	-	0.17%	(0.68)
Strides Alathur Private Limited (Formerly referred as Vivimed Life Sciences Private Limited)	0.03%	22.21	22.28%	(206.62)	-0.56%	(2.90)	51.48%	(209.52)
Neviton Softech Private Limited	0.25%	206.77	-1.06%	9.80	0.04%	0.22	-2.46%	10.02
Foreign Subsidiaries:								
Altima Innovations Inc.	0.00%	0.55	0.01%	(0.05)	0.00%	-	0.01%	(0.05)
Apollo Life Sciences Holdings Proprietary Limited	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	-
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	0.05	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Arrow Pharma Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Beltapharm SpA	0.30%	250.37	22.65%	(210.00)	0.00%	-	51.60%	(210.00)
ERIS Pharma GmbH. Germany	0.00%	-	-0.25%	2.33	0.00%	-	-0.57%	2.33
Strides Pharma International AG(Fairmed)	-0.58%	(477.60)	34.15%	(316.68)	0.00%	-	77.81%	(316.68)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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, 2024 (Contd.)

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
Fair-Med HealthcareGmbH, Germany	-2.74%	(2,260.14)	23.05%	(213.76)	0.00%	-	52.52%	(213.76)
Generic Partners UK Limited	0.05%	40.37	0.15%	(1.43)	0.00%	-	0.35%	(1.43)
Pharmapar Inc.	-0.24%	(201.75)	5.07%	(46.99)	0.00%	-	11.55%	(46.99)
Stelis Biopharma (Malaysia) SDN. BHD.	0.12%	102.29	-0.73%	6.80	0.00%	-	-1.67%	6.80
Strides Arcolab International Limited	4.27%	3,522.06	85.71%	(794.76)	98.69%	513.48	69.11%	(281.28)
Strides CIS Limited	-0.05%	(40.80)	-0.09%	0.85	0.00%	-	-0.21%	0.85
Strides Life Sciences Limited	-0.34%	(277.65)	37.17%	(344.71)	0.00%	-	84.70%	(344.71)
Strides Pharma (Cyprus) Limited	2.27%	1,873.76	-18.70%	173.41	0.00%	-	-42.61%	173.41
Strides Pharma (SA) Pty Limited	-0.16%	(135.09)	4.01%	(37.22)	0.00%	-	9.15%	(37.22)
Strides Netherlands B.V.	0.04%	36.59	-1.02%	9.49	0.00%	-	-2.33%	9.49
Strides Nordic ApS,	0.08%	63.31	-0.21%	1.97	0.00%	-	-0.48%	1.97
Strides Pharma Science Pty Ltd	0.05%	41.50	2.66%	(24.62)	0.00%	-	6.05%	(24.62)
Strides Pharma Global (UK) Limited	1.93%	1,589.57	-1.89%	17.52	1.75%	9.13	-6.55%	26.65
Strides Pharma Asia Pte Limited	20.50%	16,898.90	-57.63%	534.39	0.00%	-	-131.31%	534.39
Strides Pharma Canada Inc.	0.38%	313.50	10.77%	(99.88)	0.00%	-	24.54%	(99.88)
Strides Pharma Global Pte Limited	15.25%	12,572.72	74.81%	(693.69)	0.00%	-	170.45%	(693.69)
Strides Global Consumer Healthcare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Pharma Inc.	9.87%	8,138.19	-62.66%	581.01	0.15%	0.79	-142.96%	581.80
Strides Pharma International Limited	1.74%	1,431.13	-7.33%	67.99	0.00%	-	-16.71%	67.99
Strides Pharma UK Limited	1.13%	934.52	2.13%	(19.75)	0.00%	-	4.85%	(19.75)
Strides Shasun Latina, SA de CV	0.00%	-	2.32%	(21.48)	0.00%	-	5.28%	(21.48)
SVADS Holdings SA	0.55%	449.53	1.96%	(18.21)	0.00%	-	4.47%	(18.21)
Trinity Pharma Proprietary Limited	0.58%	476.24	-11.11%	102.98	0.00%	-	-25.30%	102.98

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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, 2024 (Contd.)

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
Universal Corporation Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Vensun Pharmaceuticals Inc.	-1.61%	(1,326.48)	0.00%	-	0.00%	-	0.00%	-
Neviton Technologies Inc.,	0.00%	-	0.00%	-	0.00%		0.00%	-
Strides SoftgelsPte. Ltd.,	0.00%	(1.48)	0.16%	(1.48)	0.00%		0.36%	(1.48)
UCL Brands Limited	1.30%	1,068.90	17.89%	(165.85)	0.00%		40.75%	(165.85)
Indian Associates:								
OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Consumer Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Associates:								
Universal Corporation Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Global Consumer Healthcare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Joint ventures:						-		
Sihuan Strides (HK) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**82,425.20**	**100.00%**	**(927.28)**	**100.00%**	**520.30**	**100.00%**	**(406.98)**
a) Adjustments arising out of consolidation		(61,169.45)		221.12		(1,061.01)		(839.89)
b) Minority Interest in all subsidiaries:								
Foreign Subsidiaries:								
- Apollo Life Sciences Holdings Proprietary Limited		(0.00)		(0.00)		(0.01)		(0.02)
- Beltapharm SpA		(12.73)		(4.35)		(0.14)		(4.49)
- ERIS Pharma GmbH. Germany		-		3.64		(0.10)		3.54
- Strides Pharma International AG(Fairmed Healthcare AG)		(74.37)		(106.92)		14.10		(92.82)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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, 2024 (Contd.)

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
- Fair-Med HealthcareGmbH, Germany		(678.04)		(64.42)		(7.86)		(72.28)
- Strides Pharma (SA) Pty Limited		(65.17)		(14.89)		2.64		(12.25)
- Strides Pharma Latina(Mexico)		-		(4.49)		(0.85)		(5.34)
- Neviton Softech Private Limited		115.44		5.28		-		5.28
- Neviton Technologies Inc.		(1.19)		(0.67)		-		(0.67)
- Trinity Pharma Proprietary Limited		267.28		39.65		(5.56)		34.09
- UCL Brands Limited		(89.79)		(89.82)		(8.55)		(98.37)
NCI eliminated on unrealised stock margin		-		-		-		-
Total		**20,717.17**		**(943.15)**		**(547.04)**		**(1,490.20)**

(i) Share of discontinued operations included above is as follows:

₹ In Million

Discontinued operation	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
Gain on sale of investments in entities manufacturing specialty products	542.20	-	542.20
Total	**542.20**	**-**	**542.20**

(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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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, 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)		-	0.02%	(1.23)
Strides Foundation Trust	0.03%	21.04	0.19%	(9.62)	0.00%	-	0.17%	(9.62)
Strides Alathur Private Limited (Formerly referred as Vivimed Life Sciences 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)
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	0.07	-0.02%	0.95	0.00%	-	-0.02%	0.95
Arrow Pharma (Private) 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)
Strides Pharma International AG(Fairmed Healthcare AG)	-0.20%	(158.49)	3.21%	(165.74)	0.00%	-	2.92%	(165.74)
Fair-Med HealthcareGmbH, 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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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, 2023 (Contd.)

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 (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	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:								
OneSource Specialty Pharma Limited, India (formerly, 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
Foreign Associates:		-				-		
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)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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, 2023 (Contd.)

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 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)
- Apollo Life Sciences Holdings Proprietary Limited		-		-		(0.04)		(0.04)
- Beltapharm SpA		(8.29)		0.26		(0.61)		(0.35)
- ERIS Pharma GmbH. Germany		(12.19)		(4.91)		(0.81)		(5.72)
- Strides Pharma International AG(Fairmed Healthcare AG)		31.94		(48.68)		(9.87)		(58.55)
- Fair-Med HealthcareGmbH, Germany		(606.74)		(87.32)		(36.00)		(123.32)
- Strides Pharma (SA) Pty Limited		(41.01)		(26.65)		4.46		(22.19)
- Strides Shasun Latina, SA de CV		4.06		(0.29)		(1.00)		(1.29)
- Trinity Pharma Proprietary Limited		238.47		38.82		(11.14)		27.68
- Universal Corporation Limited		-		31.83		(5.51)		26.32
Total		**21,728.83**		**(2,123.30)**		**79.16**		**(2,044.14)**

(i) Share of discontinued operations included above is as follows:

₹ In Million

Discontinued operations	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
Gain on sale of investments in entities manufacturing specialty products	542.20	-	542.20
Total	**542.20**	**-**	**542.20**

(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.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

54 Equity accounted investees

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Investment in associates	1,880.31	3,776.84
Investment in joint ventures	12.66	82.35
Total	**1,892.97**	**3,859.19**

Associates

(a) OneSource Specialty Pharma Limited (formerly Stelis Biopharma Limited)

The Group has an associate in the name of OneSource Specialty Pharma Limited (formerly Stelis Biopharma Limited (Stelis)), incorporated in India as at March 31, 2024, holding effective 31.12% (March 31, 2022: 31.12%) 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-24	31-Mar-23
Percentage ownership interest	**31.12%**	**31.12%**
Non-current assets	11,322.30	17,804.04
Current assets	1,763.81	2,284.04
Non-current liabilities	(2,823.10)	(3,581.40)
Current liabilities	(6,305.88)	(8,652.15)
Net assets	**3,957.13**	**7,854.53**
Group share of net assets	1,231.46	2,444.33
Carrying amount of interest in associate*	1,807.12	3,026.47

*The reconciliation is on account of unrecognised goodwill in the books of associate.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Percentage ownership interest	**31.12%**	**31.12%**
Income	1,761.44	457.40
Profit / (loss) for the year	(3,911.65)	(7,998.30)
Other comprehensive income	(5.31)	20.87
Total comprehensive income	**(3,916.96)**	**(7,977.43)**
Group share of profit / (loss)	**(1,219.35)**	**(2,744.45)**

(b) 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 40.2)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

54 Equity accounted investees (Contd.)

The following table summarises the financial information of UCL and the carrying amount of the Group's interest

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Percentage ownership interest	**49.00%**	**49.00%**
Non-current assets	636.94	1,034.53
Current assets	2,769.42	1,768.80
Non-current liabilities	(1,269.41)	(147.84)
Current liabilities	(1,396.55)	(1,837.09)
Net assets	**740.40**	**818.40**
Group share of net assets	362.80	401.02
Carrying amount of interest in associate	73.19	640.65

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Percentage ownership interest	**49.00%**	**49.00%**
Income	1,631.00	773.00
Profit / (loss) for the year	(977.56)	(52.79)
Other comprehensive income	-	-
Total comprehensive income	**(977.56)**	**(52.79)**
Group share of profit / (loss)	**(478.81)**	**(25.87)**

(c) Neviton Softech Private Limited

The Group has interest in the associate (for FY 23) . The following table analyses, in aggregate, the carrying amount and share of profit and OCI for the associate.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Carrying amount of interests in associates and joint venture	-	109.72
Share in profit	9.55	9.99
Share in total comprehensive income	9.55	9.99

(d) Sihuan Strides (HK) Limited

The Group also has interest in the joint venture. The following table analyses, in aggregate, the carrying amount and share of profit and OCI for the joint venture.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Carrying amount of interests in associates and joint venture	12.66	82.35
Share in profit	(70.41)	(6.43)
Share in total comprehensive income	(70.41)	(6.43)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

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 following table summarises the transactions of the Company with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2024:

₹ In Million

S. No.	Name of the struck off company	Nature of transaction	Balance outstanding as at current period	Relationship with the struck off company	Balance outstanding as at previous period	Relationship with the struck off company
1	Arvind Securities Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
2	B.R. Agencies Pvt Ltd	Shares held by struck off company	-	Shareholder	-	Shareholder
3	Canny Securities Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
4	Fairtrade Securities Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
5	Pramika Consulting Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
6	Salasar Securities Pvt. Ltd.	Shares held by struck off company	-	Shareholder	-	Shareholder
7	Shyam Computers Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
8	Trichem Holdings Limited	Shares held by struck off company	0.03	Shareholder	0.02	Shareholder
9	Vidhan Marketing Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
10	Advanced Micro Devices Pvt Ltd	Payables	0.76	Third Party	0.69	Third Party
11	Lanxess India Private Limited	Payables	0.32	Third Party	-	Third Party
12	Navitas Life Sciences Private Limited	Payables	3.56	Third Party	-	Third Party

(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 and its subsidiaries have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

56 Events after reporting period

On May 22, 2024, the Board of Directors of the Company has proposed a final dividend of ₹ 2.50 per equity share which shall result in cash outflow of ₹ 230 million (approx). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

57 During the year ended March 31, 2024, no material foreseeable loss (March 31, 2023: Nil) was incurred for any long-term contract. The Company has recognised a mark to market loss of ₹ 10.59 Million (derivative liability) as of 31 March 2024 (2023: ₹ 55.48 Million (derivative liability)) on its derivative instruments.

58 During the current year, on September 25, 2023 the board of directors of the Company approved the Scheme of Arrangement between the Company, OneSource Specialty Pharma Limited (formerly Stelis Biopharma Limited) and Steriscience Specialities Private Limited with an appointed date of April 01, 2024. The Scheme is subject to approval from Stock exchanges, SEBI, NCLT, Shareholders, Creditors, and other regulatory authorities.

Upon the scheme becoming effective, the identified CDMO and Softgel business of Strides would be demerged from the books of Strides Pharma Science Ltd and will get merged with existing Stelis business. The consideration would be issued to the shareholders of Strides in the form of shares in OneSource Specialty Pharma Limited (formerly Stelis Biopharma Limited) with a consequential listing of OneSource Specialty Pharma Limited in the Indian stock exchanges. The demerger would be accounted as per the guidance in Appendix A of Ind AS 10 (Distribution of Non-Cash Assets to the owners) once the Scheme is approved by the NCLT and all other conditions are met. Subsequent to the year ended, the Company has received No Objection Letter for filing the Scheme with NCLT.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2024

59 The Board of Directors of the Company on August 2, 2023 have approved the Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013, between Strides Pharma Science Limited and Strides Alathur Private Limited (formerly known as Vivimed Lifesciences Private Limited) with an appointed date of April 1, 2023. The Scheme of Amalgamation is filed with National Company Law Tribunal (NCLT) for approval.

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 22, 2024

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
Ooty, May 22, 2024

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 2024, 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 material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2024, and its profit and other comprehensive loss, 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 net carrying amount of non-current investments in subsidiaries and associates (aggregates to ₹ 24,983.35 million) accounts for 43% of the total assets of the Company as at 31 March 2024. 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.	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 33 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company is subject to complexities with respect to various tax positions on matters such as below wherein it faces litigation from the authorities over the years: • deductibility of transactions; • availability of tax incentives and exemptions for earlier years; and • cross border transfer pricing arrangements Uncertainty in a tax position may arise as tax laws are subject to interpretation. 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 Company makes an assessment (including obtaining opinion from external legal experts) 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 Company recognizes accruals which reflect its best estimate of the outcome based on the facts known. Accordingly, we focused on this area.	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 obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year; • We analysed the implications of correspondences received by the Company from the relevant tax authorities to identify any additional uncertain tax positions; • We used subject matter experts to assist us in evaluating the Company's judgment and key assumptions considered in tax computations and assessing the adequacy of the Company's disclosures in respect of contingent liabilities and provision for tax matters; • We also considered external legal opinions and consultations made by the Company for key uncertain tax positions during current and past periods.

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(s) 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 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 relevant 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. 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 2024 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 50 to the standalone financial statements.

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 its knowledge and belief, as disclosed in the Note 49 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 its knowledge and belief, as disclosed in the Note 49 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. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 53 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.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In the absence of audit trail (edit log), we are unable to comment whether audit trail feature was enabled at the database level and operated throughout the year for all relevant transactions recorded in the accounting software used for maintaining general ledger.
- The feature of audit trail (edit log) facility was not enabled at the database level to log any direct data changes for accounting software used for consolidation.
- In the absence of an independent auditor's report for the period from 1 January 2024 to 31 March 2024 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll records, which is operated by a third party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated for the period from 1 January 2024 to 31 March 2024 for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

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 one of Company's erstwhile Managing Director and Chief Executive Officer and corresponding recoverable of ₹ 141.90 million recorded as at 31 March 2022 and 31 March 2023 in accordance with Section 197 which was due to be recovered by the Company within a period of two years. In our opinion and according to the information and explanations given to us, having regard to the said note, the Company has recovered ₹ 117.36 million during the current year and ₹ 24.54 million in April 2024.

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:24060573BKFGOT8453

Place: Bangalore
Date: 22 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Strides Pharma Science Limited for the year ended 31 March 2024

(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.

(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.

(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 Chemcials 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 is yet to transfer the title deeds of such properties in its name.

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 yet to transfer 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 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 the entities as below:

Particulars	Guarantees	Loans	Security
Aggregate amount granted/ provided during the year	6,935.00	1,013.18	-
Subsidiaries	505.00	954.05	-
Joint Venture	-	-	-
Associates	6,430.00	-	-
Others	-	59.13	-
Balance outstanding as at balance sheet date in respect of above cases	12,620.62	1,391.85	1,060.00
Subsidiaries	4,020.62	1,311.84	-
Joint Ventures	-	-	-
Associates	8,600.00	-	1,060.00
Others	-	80.01	-

(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 receipts have been regular except for the following:

Name of the entity	Amount	Due Date	Extent of delay	Remarks, if any
Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited)	₹ 35.00 million	26 May 2023	186 days	The loan was repaid on 28 November 2023
Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited)	₹ 8.58 million	26 May 2023	187 days	The loan was repaid on 29 November 2023

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, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Strides Alathur Private Limited (formerly known as Vivimed Life Sciences Private Limited)	₹ 754.05 million	₹ 138.52 million	18.37%
Strides Consumer Private Limited	-	₹ 30 million	NA

(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 Section 148(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 2024 for a period of more than six months from the date they became payable, except as mentioned below:

Nature of the statute	**Nature of dues**	**Amount (₹ in millions)**	**Period to which it relates**	**Due date**	**Date of payment**
The Employees' Provident Funds and Miscellaneous Provisions Act, 2012	Provident fund	0.06	April 2023 - September 2023	Multiple dates	Subsequently paid

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Duty of excise which have not been deposited on account of any dispute are as follows:

Name of the statute	**Nature of the dues**	**Amount paid (₹ in millions) ***	**Period to which the amount relates**	**Forum where dispute is pending**
The Income Tax Act, 1961	Income tax	14.69	AY 2020-21	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	579.57	Various dates	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise	63.06	Various dates	Commissioner of Central Tax
The Central Goods and Service Tax Act, 2017	Service Tax	123.94	Various dates	Commissioner of GST (Appeals), Chennai

*Net of direct taxes paid of ₹ 76.61 million and indirect taxes paid of ₹ 33.59 million.

Also refer Note 40 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, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company (as defined under the Act).

(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 previous year of which certain proceeds have been received in the current 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) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in remaining sections of the Company's Annual Report is expected to be made available to us after the date of this auditor's report.

(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:24060573BKFGOT8453

Place: Bangalore
Date: 22 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Strides Pharma Science Limited for the year ended 31 March 2024

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 2024 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 2024, 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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:24060573BKFGOT8453

Place: Bangalore
Date: 22 May 2024

Standalone Balance Sheet

As At March 31, 2024

₹ In Million

		Note	31-Mar-24	31-Mar-23
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	4(i)	4,632.41	4,988.07
	(b) Capital work-in-progress	4(ii)	577.14	157.92
	(c) Right-of-use assets	5(i)	446.27	568.67
	(d) Investment property	6	116.11	122.61
	(e) Other intangible assets	7(i)	367.16	286.28
	(f) Intangible assets under development	7(ii)	362.92	395.86
	(g) Financial assets			
	(i) Investments	8	24,983.35	24,917.68
	(ii) Loans	9(i)	350.00	504.47
	(iii) Other financial assets	10(i)	225.11	211.85
	(h) Deferred tax assets (net)	11	914.88	952.38
	(i) Other tax assets (net)	12	1,056.44	1,575.18
	(j) Other non-current assets	13(i)	187.47	252.41
	Total non-current assets		**34,219.26**	**34,933.38**
II	**Current assets**			
	(a) Inventories	14	4,701.77	4,907.64
	(b) Financial assets			
	(i) Trade receivables	15	15,085.06	13,077.79
	(ii) Cash and cash equivalents	16	927.07	821.05
	(iii) Other balances with banks	17	191.24	34.75
	(iv) Loans	9(ii)	1,041.85	741.78
	(v) Other financial assets	10(ii)	713.53	548.66
	(c) Other current assets	13(ii)	1,498.04	1,132.37
	Total current assets		**24,158.56**	**21,264.04**
	TOTAL ASSETS		**58,377.82**	**56,197.42**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	18	919.00	903.03
	(b) Other equity	19	34,692.23	33,647.48
	Total equity		**35,611.23**	**34,550.51**
II	**Liabilities**			
1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20(i)	1,969.88	2,847.43
	(ii) Lease liabilities	5(ii)	394.04	497.99
	(iii) Other financial liabilities	21(i)	10.59	-
	(b) Provisions	22(i)	439.05	333.22
	Total non-current liabilities		**2,813.56**	**3,678.64**
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20(ii)	13,971.90	10,644.61
	(ii) Lease liabilities	5(ii)	162.11	152.01
	(iii) Trade payables	24		
	- Total outstanding dues of micro enterprises and small enterprises and		300.67	137.09
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,740.92	6,297.33
	(iv) Other financial liabilities	21(ii)	445.14	408.42
	(b) Other current liabilities	23(i)	149.25	178.81
	(c) Provisions	22(ii)	183.04	150.00
	Total current liabilities		**19,953.03**	**17,968.27**
	Total liabilities		**22,766.59**	**21,646.91**
	TOTAL EQUITY AND LIABILITIES		**58,377.82**	**56,197.42**

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

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 22, 2024

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
Ooty, May 22, 2024

Standalone Statement of Profit and Loss

for the Year Ended March 31, 2024

₹ In Million

			Note	31-Mar-24	31-Mar-23
Income					
1	Revenue from operations		25	21,532.58	18,544.96
2	Other income		26	723.06	840.66
3	**Total income (1+2)**			**22,255.64**	**19,385.62**
4	**Expenses**				
	(a)	Cost of materials consumed		10,726.26	10,200.95
	(b)	Purchase of stock-in-trade		292.28	244.73
	(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	46.22	210.37
	(d)	Employee benefits expense	28	3,352.07	2,670.14
	(e)	Finance costs	29	1,679.28	1,386.82
	(f)	Depreciation and amortisation expense	30	846.68	936.21
	(g)	Other expenses	31	4,562.99	4,234.00
	Total expenses			**21,505.78**	**19,883.22**
5	**Profit/(Loss) before exceptional items and tax (3-4)**			749.86	(497.60)
6	Exceptional item (net)		32	(53.65)	(150.00)
7	**Profit/(Loss) before tax (5+6)**			**696.21**	**(647.60)**
8	**Tax expense / (benefit)**		33		
	(a)	Current tax		3.12	(498.43)
	(b)	Deferred tax		38.18	(195.99)
	Total tax expense / (benefit)			**41.30**	**(694.42)**
9	**Profit for the year (7-8)**			**654.91**	**46.82**
10	**Other comprehensive income**				
	A) (i)	Items that will not be reclassified to profit or loss	36	(53.05)	79.85
	(ii)	Income tax relating to items that will not be reclassified to profit or loss	36	18.54	(27.90)
	B) (i)	Items that may be reclassified to profit or loss	36	51.08	(24.29)
	(ii)	Income tax relating to items that may be reclassified to profit or loss	36	(17.85)	8.49
	Total other comprehensive income / (loss) for the year, net of tax			**(1.28)**	**36.15**
11	**Total comprehensive income for the year (9+10)**			**653.63**	**82.97**
12	**Earnings per equity share (of ₹ 10/- each)**				
	-	Basic	45	**7.20**	**0.52**
	-	Diluted	45	**7.19**	**0.52**

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

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 22, 2024

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
Ooty, May 22, 2024

Standalone Statement of Changes in Equity

for the Year Ended March 31, 2024

A) Equity share capital

₹ In Million

Particulars	Amount
Balance as at April 1, 2022	**897.90**
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 41(a))	0.60
- Shares issued pursuant to conversion of share warrants (refer note 19 (j))	4.53
Balance as at March 31, 2023	**903.03**
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 41(b))	0.49
- Shares issued pursuant to conversion of share warrants (refer note 19 (j))	15.48
Balance as at March 31, 2024	**919.00**

B) Other equity

₹ In Million

			Reserves and surplus							Items of other comprehensive income			
				Securities premium account									
Particulars	Note reference	Share application money pending allotment	Capital reserve	Securities premium	Reserve for Business Restructure (BRR)	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)	Money received against share warrants	Total
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 / (loss) for the year (net of tax)		-	-	-	-	-	-	-	-	(15.80)	51.95	-	36.15
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**46.82**	**(15.80)**	**51.95**	**-**	**82.97**
Transactions with owners of the Company													
Contributions and distributions													
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	371.00	371.00
Issue of shares on conversion of share warrants		-	-	195.47	-	-	-	-	-	-	-	(200.00)	(4.53)

Standalone Statement of Changes in Equity

for the Year Ended March 31, 2024

₹ In Million

Particulars	Note reference	Share application money pending allotment	Reserves and surplus: Capital reserve	Securities premium account: Securities premium	Securities premium account: Reserve for Business Restructure (BRR)	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Items of other comprehensive income: Effective portion of cash flow hedge	Items of other comprehensive income: Re -measurement of the defined benefit liabilities / (assets)	Money received against share warrants	Total
Share application money received on exercise of options		-	-	-	-	-	-	-	-	-	-	-	-
Issue of shares on exercise of stock options		(4.06)	-	27.16	-	-	(10.02)	-	-	-	-	-	13.08
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	41(a)	-	-	-	-	-	16.03	-	-	-	-	-	16.03
Transferred to general reserve on stock options lapse		-	-	-	-	-	(3.30)	3.30	-	-	-	-	-
Total contributions and distributions		**(4.06)**	**-**	**222.63**	**-**	**-**	**2.71**	**3.30**	**-**	**-**	**-**	**171.00**	**395.58**
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**
Profit for the year		-	-	-	-	-	-	-	**654.91**	-	-	-	**654.91**
Other comprehensive income / (loss) for the year (net of tax)		-	-	-	-	-	-	-	-	33.23	(34.51)	-	(1.28)
Total comprehensive income		-	-	-	-	-	-	-	654.91	33.23	(34.51)	-	653.63
Transactions with owners of the Company													
Contributions and distributions													
Dividend		-	-	-	-	-	-	-	(135.50)	-	-	-	(135.50)
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	513.00	513.00
Issue of shares on conversion of share warrants		-	-	668.52	-	-	-	-	-	-	-	(684.00)	(15.48)

Standalone Statement of Changes in Equity

for the Year Ended March 31, 2024

₹ 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)								
Share application money received on exercise of options		1.20	-	-	-	-	-	-	-	-	-	-	1.20
Issue of shares on exercise of stock options		-	-	20.06	-	-	(8.02)	-	-	-	-	-	12.04
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	41(a)	-	-	-	-	-	15.86	-	-	-	-	-	15.86
Transferred to general reserve on stock options lapse		-	-	-	-	-	(1.30)	1.30	-	-	-	-	-
Total contributions and distributions		**1.20**	**-**	**688.58**	**-**	**-**	**6.54**	**1.30**	**(135.50)**	**-**	**-**	**(171.00)**	**391.12**
Balance as at March 31, 2024		**1.20**	**200.79**	**18,233.09**	**3,846.38**	**601.61**	**29.71**	**3,907.07**	**7,975.10**	**20.85**	**(123.57)**	**-**	**34,692.23**

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

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 22, 2024

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
Ooty, May 22, 2024

Statement of Cash Flow

for the Year Ended March 31, 2024

₹ In Million

			31-Mar-24	31-Mar-23
A.	**Cash flow from operating activities**			
	Profit/(Loss) before tax		**696.21**	**(647.60)**
	Adjustments for:			
	- Depreciation and amortisation expense		846.68	936.21
	- Loss on sale/write off of property, plant and equipment, investment property and other intangible assets (net)		3.41	163.22
	- Impairment of non current investments (Refer note 8 & 32)		-	150.00
	- Share based compensation expense		13.49	9.68
	- Finance costs		1,679.28	1,386.82
	- Interest income		(310.90)	(661.63)
	- Dividend income		(295.74)	-
	- Rental income from investment property		(16.87)	(18.56)
	- Loss allowance on trade receivables		70.14	96.79
	- Gain on account of lease modification		-	(17.20)
	- Net unrealised exchange loss/ (gain)		170.40	(316.65)
	Operating profit before working capital changes		**2,856.10**	**1,081.08**
	Changes in working capital:			
	Increase in trade and other receivables		(2,596.57)	(16.68)
	Decrease in inventories		205.87	222.99
	(Decrease) / Increase in trade and other payables		(1,360.08)	131.82
	Net change in working capital		**(3,750.78)**	**338.13**
	Cash (utilised in)/generated from operations		**(894.68)**	**1,419.21**
	Income taxes refund, net		537.12	998.19
	Net cash (utilised in)/generated from operating activities	**A**	**(357.56)**	**2,417.40**
B.	**Cash flow from investing activities**			
	Acquisition for property, plant and equipment and intangible assets, including capital advance		(672.90)	(806.88)
	Proceeds from sale of property, plant and equipment and intangible assets		9.69	2.21
	Investment in subsidiary and associate		-	(1,070.06)
	Purchase of long-term investments in others		(65.67)	-
	Loans given		(754.05)	(971.88)
	Loans recovered		614.72	1,015.46
	Interest received (net of taxes)		253.03	26.81
	Dividend received		124.48	-
	Rental income from investment property		16.87	18.05
	Net security deposits (paid)/received		(0.62)	4.19
	Investment in fixed deposits with maturity of more than 3 months, net		(138.21)	(43.66)
	Net cash utilised in investing activities	**B**	**(612.66)**	**(1,825.76)**

Statement of Cash Flow

for the Year Ended March 31, 2024

₹ In Million

			31-Mar-24	31-Mar-23
C.	**Cash flow from financing activities**			
	Proceeds from issue of equity shares		12.54	13.67
	Proceeds from share application money pending allotment		1.20	-
	Proceeds from issue of share warrants		513.00	371.00
	Proceeds from long-term borrowings		548.03	2,527.93
	Repayment of long-term borrowings		(829.15)	(668.88)
	Proceeds/(Repayment) from short-term borrowings (net)		2,706.23	(744.42)
	Dividends paid		(135.50)	-
	Lease payments		(159.59)	(151.87)
	Finance costs paid		(1,580.52)	(1,239.26)
	Net cash generated from financing activities	**C**	**1,076.24**	**108.17**
	Net increase in cash and cash equivalents during the year	**(A+B+C)**	**106.02**	**699.81**
	Cash and cash equivalents at the beginning of the year		821.05	121.24
	Cash and cash equivalents at the end of the year*		**927.07**	**821.05**
	*** Comprises:**			
	Cash on hand		1.35	1.59
	Balance with banks:			
	- In current accounts		49.64	40.09
	- In deposit accounts		709.25	670.08
	- Funds-in-transit		166.83	109.29
	Total		**927.07**	**821.05**

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

Arun Kumar
Executive Chairperson and Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance & Group CFO
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 22, 2024

Manjula R.
Company Secretary
Membership Number: A30515
Ooty, May 22, 2024

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

1 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.

2 Basis of preparation of financial statements

The Company has made a profit of ₹ 655 million for the year ended March 31, 2024. Further, as of March 31, 2024, the Company has provided guarantees aggregating to ₹ 8,600 million in relation to the borrowings (out of which ₹ 4,256 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 ₹ 548 million during the year ended March 31, 2024 and has issued equity warrants to the entity which is part of the Promoter Company that provided additional equity of ₹ 513 million during the year ended March 31, 2024. The Company has cash and cash equivalents of ₹ 927 million as at March 31, 2024 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 22, 2024.

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;

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 — Share based payments;
- Note 3.8, 11, 33 and 40 (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 2.7 - Measurment of fair value of assets
- Note 3.12.3 - Impairment testing of non-financial assets;
- Note 3.12.1 and 46 - Impairment testing of financial assets; and
- Note 3.14, 31 and 39 (b) - Recognition and measurement of Provisions and contingent liabilities.
- Note 42 - Measurement of defined benefit obligation; key actuarial assumptions;

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, 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 41 – Share based payment arrangements;
- Note 6 – Investment property and
- Note 46 – Financial instruments

3 Material accounting policy information

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 for 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

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 and revenue is recognised at that point in time.. 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 and is recognised at that point in time upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue at that point in time in 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 at that point in time when control is transferred 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. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other current liabilities and the right to recover returned goods is included in inventory. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos 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 point in time 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.

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

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 capitalized 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) interest on lease liabilties, 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

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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 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.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

3.9 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 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

The non refundable payments made with respect to land taken on lease (where there is an option 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.

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, which ever 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.

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

Notes forming part of the standalone financial statements

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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 amortized 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

Notes forming part of the standalone financial statements

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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). For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. 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.

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 recognized 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 recognize 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:

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. 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.

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.

Notes forming part of the standalone financial statements
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Derecognition

Financial assets

The Copmany 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

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 amount initially recognised less, when appropriate, the cumulative amount of income recognised, 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 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:

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 future cash flows attributable to a recognised asset or liability or highly probable 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 recognized 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 recognized 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 recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging

Notes forming part of the standalone financial statements

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reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized 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.

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 under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March, 2024, MCA has not notified any new statndards or amendments to the existing standards which are applicable to the Company.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

4 (i). Property, plant and equipment

₹ In Million

Particulars	Gross block				Accumulated depreciation				Net block
	As at 01-Apr-23	Additions	Disposals	As at 31-Mar-24	As at 01-Apr-23	Depreciation for the year	Disposals	As at 31-Mar-24	As at 31-Mar-24
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	1,486.40	7.17	-	1,493.57	539.72	68.52	-	608.24	885.33
	1,487.21	*0.66*	*1.47*	*1,486.40*	*469.64*	*70.91*	*0.83*	*539.72*	*946.68*
Plant and equipments	6,246.20	214.29	55.00	6,405.49	3,321.31	477.12	43.09	3,755.34	2,650.15
	5,949.87	*320.98*	*24.65*	*6,246.20*	*2,841.94*	*495.12*	*15.75*	*3,321.31*	*2,924.89*
Furniture and fixtures	171.25	8.40	0.04	179.61	115.14	14.17	0.01	129.30	50.31
	169.05	*4.07*	*1.87*	*171.25*	*101.29*	*14.16*	*0.31*	*115.14*	*56.11*
Vehicles	25.80	8.56	5.69	28.67	17.86	2.41	5.69	14.58	14.09
	33.26	*0.23*	*7.69*	*25.80*	*17.15*	*3.02*	*2.31*	*17.86*	*7.94*
Office equipments	782.20	59.04	0.19	841.05	625.98	78.87	0.10	704.75	136.30
	772.54	*23.46*	*13.80*	*782.20*	*534.54*	*104.95*	*13.51*	*625.98*	*156.22*
Total	**9,608.08**	**297.46**	**60.92**	**9,844.62**	**4,620.01**	**641.09**	**48.89**	**5,212.21**	**4,632.41**
Previous year	**9,308.16**	**349.40**	**49.48**	**9,608.08**	**3,964.56**	**688.16**	**32.71**	**4,620.01**	**4,988.07**

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 ₹ 11.50 Million (as at March 31, 2023: ₹ 19.48 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.

Notes forming part of the standalone financial statements

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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-23	Additions	Transfers/ deletions	As at 31-Mar-24
Current year	157.92	740.90	321.68	577.14
Previous year	304.51	225.96	372.55	157.92

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, 2024					
Projects in progress	496.05	40.98	25.32	14.79	577.14
Projects temporarily suspended	-	-	-	-	-
Total	**496.05**	**40.98**	**25.32**	**14.79**	**577.14**
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**

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, 2024 and March 31, 2023.

5. 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-23	Additions	De-recognition	As at 31-Mar-24	As at 01-Apr-23	Depreciation for the year	De-recognition	As at 31-Mar-24	As at 31-Mar-24
Buildings	740.23	-	-	740.23	171.56	122.40	-	293.96	446.27
*	*539.59*	*355.15*	*154.51*	*740.23*	*203.67*	*122.40*	*154.51*	*171.56*	*568.67*
Office equipments	87.99	-	-	87.99	87.99	-	-	87.99	-
*	*87.99*	*-*	*-*	*87.99*	*87.99*	*-*	*-*	*87.99*	*-*
Total	**828.22**	**-**	**-**	**828.22**	**259.55**	**122.40**	**-**	**381.95**	**446.27**
Previous year	***627.58***	***355.15***	***154.51***	***828.22***	***291.66***	***122.40***	***154.51***	***259.55***	***568.67***

* Figures in italics relate to previous year.

(ii) Lease Liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Current	162.11	152.01
Non-current	394.04	497.99
	556.15	**650.00**

Notes forming part of the standalone financial statements

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5. Leases (Contd.)

(iii) Amounts recognised in the statement of profit or loss

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Depreciation charge on right-of-use asset		
Buildings	122.40	122.40
Office equipment	-	-
	122.40	**122.40**
Interest expense (Included in finance cost)	65.73	71.05
Other income on account of lease modification	-	17.20
Short term lease expenses, not included in lease payments	61.21	59.88

(iv) Total cash outflow

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Buildings	159.59	151.87
	159.59	**151.87**

6. Investment property

₹ In Million

Particulars	Gross block				Accumulated Depreciation				Net block
	As at 01-Apr-23	Additions	Disposals	As at 31-Mar-24	As at 01-Apr-23	Depreciation for the year	Disposals	As at 31-Mar-24	As at 31-Mar-24
Land	31.31	-	-	31.31	-	-	-	-	31.31
	31.31	-	-	*31.31*	-	-	-	-	*31.31*
Building	103.68	-	-	103.68	12.38	6.50	-	18.88	84.80
	102.74	*0.94*	-	*103.68*	*5.89*	*6.49*	-	*12.38*	*91.30*
Total	**134.99**	**-**	**-**	**134.99**	**12.38**	**6.50**	**-**	**18.88**	**116.11**
Previous year	***134.05***	***0.94***	**-**	***134.99***	***5.89***	***6.49***	**-**	***12.38***	***122.61***

Notes:

(i) Figures in italics relate to previous year.

(ii) Details of assets given under an operating lease

₹ In Million

Particulars	Gross block		Net block	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Freehold Land	31.31	31.31	31.31	31.31
Buildings	103.68	103.68	84.80	91.30
Total	**134.99**	**134.99**	**116.11**	**122.61**

(iii) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2024 has been arrived at ₹ 910.90 Million (as at March 31, 2023 : ₹ 950.60 Million) on the basis of a valuation carried out by independent valuers under cost approach (Direct comparison approach for land component and Depreciated Replacement cost approach for building component). 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 inputs used to determine fair value are as follows:

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

6. Investment property (Contd.)

- Direct Comparison approach - fair value is determined post comparison to similar proprties sold at arms length or are offered for sale, after taking into consideration the premium/discount for location, access, size, etc.
- Depreciated Replacement Cost Approach - current replacement cost has been evaluated after giving due regards to construction, specifications, completion status of building, renovations carried out and depreciation of existing build-up structure based on age, remaining useful life, etc.

(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.

(v) Amounts recognised in profit or loss for investment properties.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Rental income	16.87	15.94
Gain on sale of investment property	-	-
Depreciation	(6.50)	(6.49)
Profit from investment properties	**10.37**	**9.45**

7 (i). Other intangible assets

₹ In Million

Particulars	Gross block				Accumulated amortisation				Net block
	As at 01-Apr-23	Additions	Disposals	As at 31-Mar-24	As at 01-Apr-23	Amortisation for the year	Disposals	As at 31-Mar-24	As at 31-Mar-24
- Internally generated:									
- Registrations and brands*	478.53	146.84	25.43	599.94	305.28	27.45	25.43	307.30	292.64
	455.99	*22.54*	*-*	*478.53*	*270.49*	*34.79*	*-*	*305.28*	*173.25*
- Software and licenses	914.67	10.73	0.54	924.86	801.64	49.24	0.54	850.34	74.52
	894.35	*21.63*	*1.31*	*914.67*	*718.45*	*84.37*	*1.18*	*801.64*	*113.03*
Total	**1,393.20**	**157.57**	**25.97**	**1,524.80**	**1,106.92**	**76.69**	**25.97**	**1,157.64**	**367.16**
Previous year	**1,350.34**	**44.17**	**1.31**	**1,393.20**	**988.94**	**119.16**	**1.18**	**1,106.92**	**286.28**

* Additions represents product development expenditure capitalised during the year

Notes:

(i) Figures in italics relate to previous year.

7 (ii). Intangible assets under development

(a) Movement in Intangible assets under development

₹ In Million

Particulars	As at 01-Apr-23	Additions	Transfers/ deletions	As at 31-Mar-24
Current year	395.86	113.90	146.84	362.92
Previous year	252.64	165.86	22.64	395.86

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

7 (ii). Intangible assets under development (Contd.)

(b) 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	
As at March 31, 2024					
Projects in progress	23.74	142.74	42.80	153.64	362.92
Projects temporarily suspended					-
Total	**23.74**	**142.74**	**42.80**	**153.64**	**362.92**
As at 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**

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, 2024 and March 31, 2023.

8 Investments

Investments consist of the following:

Investments - Non-current

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- 30,306,148 (As at March 31, 2023: 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, 2023: 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, 2023: 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, 2023: 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, 2023: 352,925) shares of ₹ 10 each fully Paid up in Arcolab Private Limited, India	1,122.79	1,122.79
- 28,266,880 (As at March 31, 2023: 28,266,880) shares of ₹ 10 each fully paid up in Strides Alathur Private Limited, India (formerly known as Vivimed Life Sciences Private Limited, India)	1,347.42	1,347.42
- 85,000 (As at March 31, 2023: NIL) shares of ₹ 10 each fully paid up in Strides Pharma Services Private Limited (refer note (c) below)	0.50	-
Total (A)	**19,759.63**	**19,759.13**
(B) Investments in associates:		
Equity shares, unquoted (Carried at cost)		
- 11,089,320 (As at March 31, 2023: 11,089,320) shares of ₹ 1 each fully paid up in Onesource Specialty Pharma Limited, India (formerly known as Stelis Biopharma Private Limited) (refer note (a) & (b) below)	5,308.55	5,308.55
Total (B)	**5,308.55**	**5,308.55**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

8 Investments (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(C) Investment in others (Carried at fair value through profit and loss)		
Equity shares, unquoted		
- 252,700 (As at March 31, 2023: Nil) shares of ₹ 10 each fully paid up in AMP Energy C&I Six Private Limited, India	2.53	-
- 3,990,000 (As at March 31, 2023: Nil) shares of ₹ 10 each fully paid up in AMP Energy C&I Eight Private Limited, India	39.90	-
Debentures, unquoted		
- 22,743 (As at March 31, 2023: Nil) CCD of ₹ 1000 each in AMP Energy C&I Six Private Limited, India	22.74	-
Total (C)	**65.17**	**-**
Total [A+B+C]	**25,133.35**	**25,067.68**
Aggregate amount of unquoted investments	25,133.35	25,067.68
Aggregate amount of impairment in value of investments	150.00	150.00
Non Current Investments	**24,983.35**	**24,917.68**

Refer Note 38 for disclosures with respect to section 186(4) of Companies Act, 2013. Refer note 43 for related party transactions.

Note:

a) 11,087,706 (As at March 31, 2023: 11,087,706) equity shares are pledged against borrowings taken by Onesource Specialty Limited (formerly known as Stelis Biopharma Limited) from a financial institution.

b) During the year ended March 31, 2024, the Associate (Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) has incurred loss from continuing operations of ₹ 3,656.97 million (year ended March 31, 2023 : ₹ 4,156.45 million) primarily on account of under utilisation of its capacities and write downs of inventories and certain intangible assets during the current year. The current liabilities (including current maturities of long-term debt of ₹ 1,560.38 million) exceeded its current assets by ₹ 4,542.07 million as at March 31, 2024. The Associate also requires additional funds to continue its product development activities and day to day operations and completion of capital projects in progress.

The Associate has requested for temporary relaxations for compliance with the financial covenants from the lenders for fiscal 2022 and 2023 as these were not met. However, during the year ended March 31, 2023, the shareholders / investors had infused ₹ 7,102 million by subscribing towards call against the partly paid-up shares, rights issues and as intercorporate debt. Further, during the current year, the promoter group companies and other Investors have additionally infused funds in the form of debt into the Associate aggregating to ₹ 7,497.59 million (including ₹ 2,539.59 million from the promoter group companies). Subsequent to the reporting year, the Associate has raised ₹ 2,000 million through issue of 20,000 non-convertible debentures of face value of ₹ 1 lakh each which will list with BSE India, which has long-term repayment schedule. The promoters have committed to continue to provide the requisite financial support to the Associate as it requires in the normal course of business.

The Associate has signed several Manufacturing Services Agreements (MSA's) for its Contract Development and Manufacturing Operations (CDMO) business and is expected to grow the business of CDMO further during the coming years. During the previous financial year, Associate's facility in Bengaluru 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.

During the year, the Company and the Associate has also announced a demerger from Strides and consolidation of CDMO business within Stelis by issuing shares to the shareholders of the Group and consequently listing Stelis in India.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

8 Investments (Contd.)

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. The Company has also reviewed the developments during the year and continues to believe that no impairment exists as of the period end for its investment in the Associate.

c) During the current year, the Company acquired Strides Pharma Services Private limited, from one of its subsidiaries (Arcolab India Private Limited, a wholly owned subsidiary) for a consideration of ₹ 0.5 million.

9 Loans

Loans consist of the following:

(i) Long-term loans

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
Loans to:		
- Related parties (Refer note 43)	350.00	504.47
Total	**350.00**	**504.47**

(ii) Short-term loans

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
Loans to:		
- Employees	50.00	43.74
- Related parties (Refer note 43)	961.85	668.04
- Other parties	30.00	30.00
Total	**1,041.85**	**741.78**

10 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Security deposits*	166.12	159.11
Fixed deposits with banks	5.77	10.14
Balance held as margin money against long term borrowings with others	38.54	42.60
Derivative asset	14.68	-
Total	**225.11**	**211.85**

* Includes security deposit given to related parties (Refer note 43)

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

10 Other financial assets (Contd.)

(ii) Current financial assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
Receivables from related parties (Refer note 43)	344.63	55.25
Interest accrued on loans given to:		
- Related parties (Refer note 43)	196.92	223.64
- Others	10.87	8.17
Derivative asset	46.72	36.42
Others:		
- Receivable from director (Refer note 43) **	24.54	141.90
- Gratuity claim receivables	74.08	67.36
- Others	15.77	15.92
Total	**713.53**	**548.66**

**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. During the year, the Company recovered significant portion of receivable from the Director and the balance receivable of ₹ 24.54 million has been disclosed under current financial assets. Subsequent to the year end, the balance amount of ₹ 24.54 million has also been recovered.

11. Deferred tax balances

₹ In Million

Particulars	As at 31-Mar-24	As at 31-Mar-23
Deferred tax assets	1,247.78	1,336.49
Deferred tax liabilities	(332.90)	(384.11)
Deferred tax assets (net)	**914.88**	**952.38**

₹ In Million

2023-2024	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	6.65	-	-	(17.85)	(11.20)
Employee benefits	185.57	-	55.18	18.54	259.29
Merger related expenses	0.60	-	18.45	-	19.05
Leases	28.43	-	9.97	-	38.40
Allowance for credit loss	96.59	-	(10.48)	-	86.11
Property, plant and equipment and Intangible assets	(382.36)	-	60.66	-	(321.70)
Others	(1.75)	-	13.97	-	12.22
Tax losses	78.75	-	(78.75)	-	-
MAT Credit entitlement	939.90	-	(107.19)	-	832.71
Total	**952.38**	**-**	**(38.19)**	**0.69**	**914.88**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

11. Deferred tax balances (Contd.)

₹ 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)
Tax losses	4.19	-	74.56	-	78.75
MAT Credit entitlement	939.90	-	-	-	939.90
Total	**775.80**	**-**	**195.99**	**(19.41)**	**952.38**

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.

12 Other tax assets (net)

The income tax assets consists of the following:

Non-current income tax assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Advance income tax (net of provisions)	993.37	1,512.11
Income tax paid under protest	63.07	63.07
Total	**1,056.44**	**1,575.18**

13 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Considered good:		
- Capital advances	136.37	190.19
- Prepaid expenses	16.18	36.44
Balances with Government authorities:		
- Indirect taxes paid under protest	34.92	25.78
Total	**187.47**	**252.41**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

13 Other assets (Contd.)

(ii) Other current assets

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Considered good:		
Advances to suppliers	299.84	268.79
Advances to employees	3.69	2.31
Prepaid expenses	278.25	244.76
Incentives receivables	365.12	132.56
Interest on tax refunds	50.84	-
Balances with Government authorities	500.30	483.95
Total	**1,498.04**	**1,132.37**

14 Inventories*

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Raw materials (including goods in transit)	3,438.75	3,669.83
Work-in-progress	326.12	242.78
Finished goods (including goods in transit)	601.64	731.20
Stores and spares	335.26	263.83
Total	**4,701.77**	**4,907.64**

* Refer note 3.13 for mode of valuation of inventories.

*Inventories are pledged (first pari-passu charge) as security towards working capital loans.

15 Trade receivables

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured		
Considered good *	15,331.48	13,354.21
Credit impaired	-	-
	15,331.48	**13,354.21**
Less: Loss allowance on trade receivables (Refer note 46.5)	(246.42)	(276.42)
Total	**15,085.06**	**13,077.79**

*Includes receivables from related parties (Refer note 43)

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, 2024, trade receivables balances include ₹ 695.90 Million (As at March 31, 2023: ₹ 565.88 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

15 Trade receivables (Contd.)

Trade receivables ageing as at March 31, 2024

₹ 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	8,574.98	3,831.14	897.70	1,203.21	820.45	4.00	15,331.48
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance on trade receivables	-	-	-	-	-	-	(246.42)
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	8,574.98	**3,831.14**	**897.70**	**1,203.21**	**820.45**	**4.00**	**15,085.06**

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: Loss allowance on trade receivables	-	-	-	-	-	-	(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**

Information about Company's exposure to credit and market risk and impairment losses for trade receivables is included in note 46

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

16 Cash and cash equivalents

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Cash on hand	1.35	1.59
Balances with banks:		
- In current accounts	49.64	40.09
- In deposit accounts (Original maturity less than 3 months)	709.25	670.08
- Funds-in-transit	166.83	109.29
Total	**927.07**	**821.05**

17 Other balances with banks

₹ In Million

Particulars	31-Mar-24	31-Mar-23
- In deposit accounts (fixed deposits maturing within 12 months from balance sheet date)	156.66	7.32
In earmarked accounts:		
- Unpaid dividend accounts	8.17	9.72
- Unpaid shares accounts	-	0.33
- Group gratuity accounts	17.66	9.09
- Balance held as margin money against working capital facilities with banks	8.75	8.29
Total	**191.24**	**34.75**

18 Equity share capital

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Authorised		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2023: 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		
91,899,714 equity shares of ₹ 10/- each with voting rights (March 31, 2023: 90,302,704 equity shares of ₹ 10/- each)	919.00	903.03
Total	**919.00**	**903.03**

(i) Reconciliation of number of shares and amount outstanding

₹ In Million

Particulars	31-Mar-24		31-Mar-23	
	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	**9,03,02,704**	**903.03**	**8,97,90,214**	**897.90**
Changes in equity share capital during the year				
- Shares issued pursuant to exercise of stock options (Refer note 41(a))	49,500	0.49	60,000	0.60
- Shares issued pursuant to conversion of share warrants (Refer note 19(j))	15,47,510	15.48	4,52,490	4.53
Balance at the end of the year	**9,18,99,714**	**919.00**	**9,03,02,704**	**903.03**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

18 Equity share capital (Contd.)

(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.

(iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

₹ In Million

Particulars	31-Mar-24		31-Mar-23	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	1,57,89,564	17.18%	1,70,74,132	18.91%
Quant Mutual Fund - Quant Active Fund	49,77,936	5.42%	-	0.00%
Route One Offshore Master Fund, L.P.	46,53,310	5.06%	-	0.00%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	46,18,885	5.03%	52,21,845	5.78%

(iv) Details of equity shares of ₹ 10/- each reserved for issuance:

₹ In Million

Particulars	No. of shares 31-Mar-24	No. of shares 31-Mar-23
Towards employee stock options under the various Strides stock option plans (Refer note 41(a))	23,60,950	23,09,450
Total	**23,60,950**	**23,09,450**

(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-24			31-Mar-23		
		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	2.11%	0.00%	1,940,997	2.15%	25.96%
2	K R Ravishankar	1,255,593	1.37%	0.00%	1,255,593	1.39%	0.00%
3	Pronomz Ventures LLP	15,789,564	17.18%	(7.52%)	17,074,132	18.91%	0.87%
Promoters Group							
4	Hemalatha Pillai	66,760	0.07%	0.00%	66,760	0.07%	0.00%
5	Anuradha K R	5,470	0.01%	0.00%	5,470	0.01%	0.00%
6	Aditya Arun Kumar	58,422	0.06%	0.00%	58,422	0.06%	0.00%
7	K R Lakshmi	130,365	0.14%	0.00%	130,365	0.14%	0.00%
8	Padmakumar Karunakaran Pillai	186,485	0.20%	0.00%	186,485	0.21%	0.00%

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

18 Equity share capital (Contd.)

S. No	Promoter Name	31-Mar-24			31-Mar-23		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
9	Rajitha Gopalakrishnan	60,000	0.07%	0.00%	60,000	0.07%	0.00%
10	Sajitha Pillai	95,000	0.10%	0.00%	95,000	0.11%	0.00%
11	Vineetha Mohanakumar Pillai	190,000	0.21%	0.00%	190,000	0.21%	0.00%
Body Corporates							
12	Abusha Investment & Manangement Services LLP	-	0.00%	(100.00%)	181,216	0.20%	(35.56%)
13	Ambemata Securities	240,860	0.26%	(49.99%)	481,660	0.53%	0.00%
14	Shasun Enterprises LLP (Formerly, Devendra Estates LLP)	236,977	0.26%	(71.24%)	823,953	0.91%	0.00%
15	Shasun Leasing And Finance (P) Limited	-	0.00%	(100.00%)	1,005,000	1.11%	0.00%
16	Agraganya Private Trust (Trustee: Barclays Wealth Trustees (I) Pvt Ltd)	300,000	0.33%	0.00%	300,000	0.33%	0.00%
17	Karuna Business Solutions LLP	3,225,050	3.51%	92.25%	1,677,540	1.86%	36.94%

19 Other equity

₹ In Million

Particulars	Note	31-Mar-24	31-Mar-23
(A) Share application money pending allotment			
i) Equity share application money pending allotment	19 (A)(i)	1.20	-
(B) Reserves and surplus			
i) Capital reserve	19 (B) (i)	200.79	200.79
ii) Securities premium account			
Securities premium	19 (B) (ii) (a)	18,233.09	17,544.51
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)	29.71	23.17
v) General reserve	19 (B) (v)	3,907.07	3,905.77
vi) Retained earnings	19 (B) (vi)	7,975.10	7,455.69
(C) Items of other comprehensive income			
i) Effective portion of cash flow hedge	19 (C) (i)	20.85	(12.38)
ii) Remeasurement of the defined benefit liabilities / (assets)	19 (C) (ii)	(123.57)	(89.06)
(D) Money received against share warrants	19 (D)	-	171.00
Total		**34,692.23**	**33,647.48**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

19 Other equity (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(A) Share application money pending allotment		
(i) Equity share application money pending allotment		
Opening balance	-	4.06
Add: Received during the year	1.20	-
Less: Shares allotted during the year	-	(4.06)
Total share application money (A)	**1.20**	**-**
(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	17,544.51	17,321.88
Add: Premium on shares issued during the year (Refer note 41(a))	20.06	27.16
Add: Premium on conversion of share warants	668.52	195.47
Closing balance	**18,233.09**	**17,544.51**
(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	**22,079.47**	**21,390.89**
(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 41(a))		
Opening balance	23.17	20.46
Add: Employee stock compensation expenses (including amounts cross charged to subsidiaries)	15.86	16.03
Less: Transferred to securities premium account on exercise (net)	(8.02)	(10.02)
Less: Transferred to general reserve on stock options lapse	(1.30)	(3.30)
Closing balance	**29.71**	**23.17**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

19 Other equity (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(v) General reserve		
Opening balance	3,905.77	3,902.47
Add: Transferred to general reserve on stock options lapse	1.30	3.30
Closing balance	**3,907.07**	**3,905.77**
(vi) Retained earnings		
Opening balance	7,455.69	7,408.87
Add: Profit for the year	654.91	46.82
Less: Dividend on equity shares	(135.50)	-
Closing balance	**7,975.10**	**7,455.69**
Total Reserves and surplus (B)	**34,793.75**	**33,577.92**
(C) Items of other comprehensive income		
(i) Effective portion of cash flow hedge		
Opening balance	(12.38)	3.42
Add / (less): Movement during the year	51.08	(24.29)
Add / (less): Tax impact on above	(17.85)	8.49
Closing balance	**20.85**	**(12.38)**
(ii) Remeasurement of the defined benefit liabilities / (assets) (Refer note 42)		
Opening balance	(89.06)	(141.01)
Add / (less): Movement during the year	(53.05)	79.85
Add / (less): Tax impact on above	18.54	(27.90)
Closing balance	**(123.57)**	**(89.06)**
Total items of other comprehensive income (C)	**(102.72)**	**(101.44)**
(D) Money received against share warrants		
Opening balance	171.00	-
Add: Received during the year	513.00	371.00
Less: Transferred to equity share capital on allotment (Refer note 19(j))	(15.48)	(4.52)
Less: Transferred to securities premium on allotment (Refer note 19(j))	(668.52)	(195.48)
Closing balance	**-**	**171.00**
Total Money received against warrants (D)	**-**	**171.00**
Other equity [(A) + (B) + (C) +(D)]	**34,692.23**	**33,647.48**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

19 Other equity (Contd.)

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 utilized 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 utilized 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.

(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 utilized 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

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

19 Other equity (Contd.)

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 subscription money of ₹ 150 million, the Company has converted 452,490 convertible warrants into Ordinary Shares.

During the current year ended March 31, 2024, on exercise of options by Karuna Business Solutions LLP and on receipt of balance subscription money of ₹ 513 million, the Company has fully converted 1,547,510 convertible warrants into Ordinary Shares.

The Company has fully utilised the amounts of ₹ 884 million towards capital resources and operations.

20 Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ In Million

Particulars	No. of shares 31-Mar-24	No. of shares 31-Mar-23
Secured		
- Debtentures from others (Refer note (i) below)	731.19	1,207.55
- Term loans from banks (Refer note (ii) to (v) below)	890.30	402.44
- Term loans from others (Refer note (vi) to (ix) below)	348.39	1,237.44
Total	**1,969.88**	**2,847.43**

Details of security and terms of repayment for the non-current borrowings:

₹ In Million

Terms of repayment and security	31-Mar-24	31-Mar-23
(i) Debentures		
Non-current		
Series A 500 debentures of ₹ 1,000,000 each fully paid	-	485.79
Series B 750 debentures of ₹ 1,000,000 each fully paid	731.19	721.76
Current maturities of debentures		
Series A 500 debentures of ₹ 1,000,000 each fully paid	495.26	-
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 (Strides Alathur Private Limited formerly known as 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 (Strides Alathur Private Limited formerly known as 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.		

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

20 Borrowings (Contd.)

₹ In Million

Terms of repayment and security		31-Mar-24	31-Mar-23
(ii)	**Term loans from banks: Loan 1**		
	Long-term loan	5.00	0.82
	Current maturities of long-term loan	1.59	0.89
	Security: Hypothecation of assets procured from the term loans. Rate of interest: 7.0% to 8.49% p.a.		
	Repayment terms: 60 equal monthly instalments. The outstanding term as at March 31, 2024 is 20 instalments.		
(iii)	**Term loans from banks: Loan 2***		
	Long-term loan	-	153.94
	Current maturities of long-term loan	-	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 10.95% p.a.		
	Repayment terms: The loan has been taken over by another bank during the year. The outstanding balance is Nil.		
(iv)	**Term loans from banks: Loan 3**		
	Long-term loan	124.38	247.68
	Current maturities of long-term loan	124.80	124.80
	Security: First pari-passu charge on the fixed assets of the Company excluding properties at CBD Belapur, Navi Mumbai. Second pari-passu charge on the current assets of the Company		
	Rate of interest: 9.7% to 10.9% p.a.		
	Repayment terms: 48 equal monthly instalments after initial moratorium of 12 months. The outstanding term as at March 31, 2024 is 24 instalments.		
(v)	**Term loans from banks: Loan 4**		
	Long-term loan	217.16	-
	Current maturities of long-term loan	31.25	-
	Security: First pari-passu charge on the movable fixed assets of the Company. Second pari-passu charge on the current assets of the Company.		
	Rate of interest: 11.50 % p.a.		
	Repayment terms: 16 equal quarterly instalments after initial moratorium of 12 months. The outstanding term as at March 31, 2024 is 16 instalments.		
(vi)	**Term loans from banks: Loan 5**		
	Long-term loan	543.76	-
	Current maturities of long-term loan	655.51	-
	Security: First pari-passu charge on the fixed assets of the Company. Second pari-passu charge on the current assets of the Company		
	Rate of interest: 9.15% p.a. The bank has taken over ₹ 1,046.25 million of loan from other bank and financial institutions.		
	Repayment terms: 17 equal quarterly instalments. The outstanding term as at March 31, 2024 is 17 instalments.		
	Repayment terms: 24 to 38 monthly instalments. The outstanding term as at March 31, 2024 is 20 to 34 instalments.		

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

20 Borrowings (Contd.)

₹ In Million

Terms of repayment and security	31-Mar-24	31-Mar-23
(vii) Term loans from others: Loan 1		
Long-term loan	348.39	694.77
Current maturities of long-term loan	120.00	224.58
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: 10.00% p.a. to 12.40% p.a.		
Repayment terms: 60 equal monthly installments. The outstanding term as at March 31, 2024 is 47 instalments. The loan of ₹ 239.20 million has been taken over by a bank during the year.		
(viii) Term loans from others: Loan 2		
Long-term loan	-	178.24
Current maturities of long-term loan	-	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: The loan has been taken over by a bank during the year. The outstanding balance is Nil.		
(ix) 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.		
Rate of interest: 11% to 11.15% p.a.		
Repayment terms: The loan has been taken over by a bank during the year. The outstanding balance is Nil.		
(x) Long-term loans from others: Loan 4		
Long-term loan	-	175.19
Current maturities of long term loan	-	166.67
Security: First 1.25 times paripasu charge on fixed assets of the Company.		
and Second paripasu charge on current assets of the Company **Rate of interest:** 10.95% p.a to 12.60% p.a.		
Repayment terms: The loan has been taken over by a bank during the year. The outstanding balance is Nil.		
Total	**3,398.29**	**3,646.34**

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Disclosed under long term borrowings	1,969.88	2,847.43
Disclosed under current borrowings:		
- Current maturities of long-term loans	1,428.41	798.91
Total	**3,398.29**	**3,646.34**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

20 Borrowings (Contd.)

(ii) Current borrowings

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Current maturities of long-term loans	1,428.41	798.91
Secured loans repayable on demand from banks:		
- Working capital loans	11,523.15	8,891.38
Unsecured working capital loans from:		
- Bank	996.22	954.32
- Others	24.12	-
Total	**13,971.90**	**10,644.61**

Note:

(a) Details of security for the secured loans repayable on demand: Working capital loans 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 6.65% to 10.85%.

(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 46.

Net debt reconciliation

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current borrowings	1,969.88	2,847.43
Current maturities of non-current borrowings	1,428.41	798.91
Current borrowings- working capital loans	12,543.49	9,845.70
Total Debt	**15,941.78**	**13,492.04**
Less:		
Cash and cash equivalents	927.07	821.05
Balances in deposit accounts (Refer note 17)	156.66	7.32
Balance held as margin money against working capital facilities with banks	8.75	8.29
Fixed deposit with bank - non current (Refer note 10(i))	5.77	10.14
Balance held as margin money against long term borrowings with others	38.54	42.60
Cash and bank balances	**1,136.79**	**889.40**
Net debt	**14,804.99**	**12,602.64**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

20 Borrowings (Contd.)

₹ 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, 2023	**821.05**	**17.46**	**50.89**	**3,646.34**	**9,845.70**	**12,602.64**
Cash flows	106.02	144.97	-	548.03	2,706.23	**3,003.27**
Repayments	-	-	(6.76)	(829.15)	-	**(822.39)**
Foreign Exchange Fluctuation	-	-	-	-	(8.44)	**(8.44)**
Others	-	-	3.16	33.07	-	**29.91**
As on March 31, 2024	**927.07**	**162.43**	**47.29**	**3,398.29**	**12,543.49**	**14,804.99**

₹ 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**

21 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Derivative liability	10.59	-
Total	**10.59**	**-**

(ii) Other current financial liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest accrued but not due on borrowings	58.50	58.54
Unclaimed dividends*	8.17	9.72
Derivative liability	-	55.48
Security deposits***	7.20	7.20

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

21 Other financial liabilities (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Other payables:		
- Payables to employees under cash settled share based payment plan	-	30.00
- Other payable to employees	172.52	126.00
- Payable to related parties (Refer note 43)	29.22	67.27
- Payables on purchase of property, plant and equipment and intangible assets**	169.53	53.88
- Others	-	0.33
Total	**445.14**	**408.42**

*Investor Education and Protection Fund shall be credited when due.

** Includes payables to related parties (Refer note 43)

*** Includes security deposit received from related party (Refer note 43)

22 Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Provision for employee benefits:		
Gratuity (Refer note 42)	439.05	333.22
Total	**439.05**	**333.22**

(ii) Current provisions

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Provision for employee benefits:		
- Compensated absences	183.04	150.00
Total	**183.04**	**150.00**

₹ In Million

Movement in provisions	Gratuity	Compensated absences	Total
Balance as at 1st April 2022	**334.68**	**204.53**	**539.21**
Provision recognised/ (utilised) during the year	(1.46)	(54.53)	(55.99)
Balance as at 31st March 2023	**333.22**	**150.00**	**483.22**
Provision recognised/ (utilised) during the year	105.83	33.04	138.87
Balance as at 31st March 2024	**439.05**	**183.04**	**622.09**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

23 Other liabilities

Other liabilities consist of the following:

(i) Other current liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Other payables:		
- Advance from customers*	30.62	85.00
- Statutory liabilities	114.16	89.34
- Others	4.47	4.47
Total	**149.25**	**178.81**

* Includes advance from related party (Refer note 43)

24 Trade payables*

₹ In Million

Particulars	31-Mar-24	31-Mar-23
- Total outstanding dues of micro enterprises and small enterprises(MSME) (Refer note (i) below)	300.67	137.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,740.92	6,297.33
Total	**5,041.59**	**6,434.42**

* Includes dues to related party (Refer note 43)

Trade payable ageing schedule as at March 31, 2024

₹ 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		139.35	140.52	9.03	1.83	9.94	300.67
- Others	477.11	1,535.27	2,149.83	385.90	58.82	133.99	4,740.92
Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

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, 2024

24 Trade payables (Contd.)

(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 2024. 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-24	31-Mar-23
(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	300.67	137.09
- Interest due on the above	3.14	3.53
(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.	2,043.19	1,782.32
(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	17.78	6.26
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	20.92	9.79
(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	46.39	64.82

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 46.

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-24	31-Mar-23
Sale of products	20,481.71	17,451.64
Sale of services* (Refer note (i) below)	140.64	172.72
Other operating revenues* (Refer note (ii) below)	910.23	920.60
Total	**21,532.58**	**18,544.96**

* Includes revenue from related parties (Refer note 43).

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

25 Revenue from operations (Contd.)

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-24	31-Mar-23
Africa	452.00	629.55
Australia	595.08	474.75
Asia	14,007.23	11,055.96
North America	310.65	1,176.42
Europe	4,745.30	3,809.34
India	402.90	336.89
Others	109.19	141.45
Subtotal	**20,622.35**	**17,624.36**
Revenue from other sources		
Other operating revenue	910.23	920.60
Subtotal	**910.23**	**920.60**
Total	**21,532.58**	**18,544.96**

Geographical revenue is allocated based on the location of the customers.

(i) Sale of services comprises:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Development income*	78.16	16.58
Licensing fees	9.82	137.86
Others*	52.66	18.28
Total	**140.64**	**172.72**

* Includes income from related parties (Refer note 43)

(ii) Other operating revenue comprises:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Sale of intellectual property rights (Refer note 43)	390.01	543.62
Royalty income	-	35.10
Export and Production Linked incentives	307.80	202.09
Support service income (Refer note 43)	202.53	128.65
Others	9.89	11.14
Total	**910.23**	**920.60**

26 Other income

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest income (Refer note (i) below)*	310.90	661.63
Dividend from subsidiaries*	295.74	-
Rental income from investment property*	16.87	18.56
Other non-operating income		
- Guarantee commission (Refer note 43)*	98.78	140.26
- Others	0.77	20.21
Total	**723.06**	**840.66**

* Includes income from related parties (Refer note 43)

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

26 Other income (Contd.)

Note:

(i) Interest income comprises:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest from banks on deposits	92.10	13.34
Interest on loan		
- to related parties (Refer note 43)	137.14	136.94
- to others	3.00	3.00
Interest from		
- income tax refunds	72.28	502.91
- others	6.38	5.44
Total	**310.90**	**661.63**

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Inventories at the end of the year:		
- Finished goods	601.64	731.20
- Work-in-progress	326.12	242.78
- Stock-in-trade	-	-
	927.76	**973.98**
Inventories at the beginning 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**
Net decrease	**46.22**	**210.37**

28 Employee benefits expense

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Salaries, wages and bonus	2,869.56	2,235.69
Contributions to provident and other funds (Refer note 42)	225.84	218.03
Share based compensation expense (Refer note 41)	13.49	9.68
Staff welfare expenses	243.18	206.74
Total	**3,352.07**	**2,670.14**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

29 Finance costs

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Interest on borrowings	1,560.42	1,259.51
Interest on lease liabilities (Refer note 5)	65.73	71.05
Other finance costs	53.13	56.26
Total	**1,679.28**	**1,386.82**

30 Depreciation and amortisation expense

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Depreciation on property, plant and equipment	641.09	688.16
Depreciation on right-of-use assets	122.40	122.40
Depreciation on investment property	6.50	6.49
Amortisation on intangible assets	76.69	119.16
Total	**846.68**	**936.21**

31 Other expenses

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Subcontracting charges	274.97	243.64
Power, fuel and water charges	531.18	455.38
Rent (Refer note 5)	61.21	59.88
Repairs and maintenance:		
- Buildings	21.98	33.63
- Machinery	540.85	439.49
- Others	142.71	169.68
Insurance	67.85	88.56
Rates and taxes	220.22	219.69
Communication expense	42.27	76.97
Travelling and conveyance	74.27	72.09
Printing and stationery	14.95	22.17
Carriage, freight and forwarding	748.26	951.02
Business promotion	44.38	29.04
Expenditure on Corporate Social Responsibility (Refer note (i) below)	34.76	21.11
Support service expenses (Refer note 43)	756.24	599.55
Legal and professional fees	383.47	280.61
Payments to auditors (Note (ii) below)	26.93	26.33
Loss allowance on trade receivables	70.14	96.79
Loss on sale of property, plant and equipment and intangibles	3.41	13.22
Consumption of stores and spares	437.72	337.98
Research and development expenses	30.04	75.90
Foreign exchange (gain)/loss- net	(79.69)	(157.54)
Miscellaneous expenses	114.87	78.81
Total	**4,562.99**	**4,234.00**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

31 Other expenses (Contd.)

Note:

(i) Expenditure on Corporate Social Responsibility:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
(a) Gross amount required to be spent during the year	4.66	17.75
(b) Amount spent during the year		
- On recurring and ongoing projects	34.53	20.22
- Administrative overheads	0.23	0.89
(Surplus) of CSR spent	**(30.10)**	**(3.36)**
Total of previous years' shortfall	**-**	**-**

(ii) Payments to the auditors comprises (net of taxes) for:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
- Audit of Standalone, consolidated financial statements, limited review and other certifications	24.92	24.70
- Reimbursement of expenses	2.01	1.63
Total	**26.93**	**26.33**

32 Exceptional item

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Provision for diminution in value of investment (Refer note 8)	-	150.00
Business combination and restructuring expenses (refer note 52)	53.65	-
Total (net)	**53.65**	**150.00**

33 Tax expense / (benefit)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Current tax		
Current tax expenses	173.32	-
Current tax expense relating to prior years	(170.20)	(498.43)
	3.12	**(498.43)**
Deferred tax		
Deferred tax benefit	(69.01)	(195.99)
Minimum alternative tax credit utilised	107.19	-
	38.18	**(195.99)**
Net tax expense / (benefit)	**41.30**	**(694.42)**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

33 Tax expense / (benefit) (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Profit/(loss) before income taxes	696.21	(647.60)
- from discontinued operations	-	-
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	243.28	(226.30)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax:		
Effect of concessions and allowances	(31.78)	38.34
Tax pertaining to prior years	(170.20)	(506.46)
Total Income tax expense	**41.30**	**(694.42)**
Income tax expense attributable to:		
Profit/(loss) before tax	41.30	(694.42)
	41.30	**(694.42)**

Refer note 11 for significant components of deferred tax assets and liabilities.

The Company is subject to complexities with respect to various tax positions on matters such as deductibility of transactions, availability of tax incentives and exemptions for earlier years and cross border transfer pricing arrangements, wherein it faces litigation from the authorities over the years.

Uncertainty in a tax position may arise as tax laws are subject to interpretation. 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 Company makes an assessment (including obtaining opinion from external legal experts) 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 Company recognizes accruals which reflect its best estimate of the outcome based on the facts known.

34 Earnings and expenditure in foreign currency

34.1 Earnings in foreign currency

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Sale of products	20,130.95	17,213.38
Development income	78.16	16.58
Licensing fees	10.32	88.31
Sale of intellectual property rights	371.30	543.62
Royalty income	-	35.09
Guarantee commission	43.20	78.17
Dividend from subsidiaries	295.74	-
Support service income	154.39	127.45
Other income	0.78	10.48
Total	**21,084.84**	**18,113.09**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

34 Earnings and expenditure in foreign currency (Contd.)

34.2 Expenditure in foreign currency

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Finance costs	368.68	196.44
Consumption of stores and spares	31.20	36.20
Legal and professional fees	154.22	126.02
Rates and taxes	132.79	189.00
Carriage, freight and forwarding	-	-
Research and development expenses	19.28	28.51
Business promotion	14.90	24.86
Others	35.97	70.50
Total	**757.04**	**671.53**

35 Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Salaries, wages and bonus	219.27	213.37
Cost of materials consumed	55.43	71.77
Legal and professional fees	12.22	20.82
Research and development expenses	7.41	43.34
Consumption of stores and spares	135.15	53.22
Travelling and conveyance	4.81	2.30
Depreciation and amortisation expense	68.46	77.34
Others	136.26	158.68
Total	**639.01**	**640.84**

36 Other comprehensive income

₹ In Million

Particulars	31-Mar-24	31-Mar-23
A) Items that will not be reclassified to profit or loss		
Defined benefit obligations	(53.05)	79.85
Income tax on defined benefit obligations	18.54	(27.90)
	(34.51)	**51.95**
B) Items that may be reclassified to profit or loss		
Movement in cash flow hedge	51.08	(24.29)
Income tax on cash flow hedge	(17.85)	8.49
	33.23	**(15.80)**
Total	**(1.28)**	**36.15**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

37 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".

Bio-pharmaceutical segment represents the business of research, development, manufacture and commercialization of biological drug products in various injectable formats and the end-to-end CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics.

Pharmaceutical segment represents the business of development, manufacture and commercialization of drug products other than biological drugs.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
A) Segment Revenue		
a) Pharmaceutical business	21,532.58	18,544.96
b) Bio-pharmaceutical business	-	-
Revenue from operations	**21,532.58**	**18,544.96**
B) Interest income		
a) Pharmaceutical business	310.90	661.63
b) Bio-pharmaceutical business	-	-
	310.90	**661.63**
C) Segment Cost		
i) Interest Cost		
a) Pharmaceutical business	1,679.28	1,386.82
b) Bio-pharmaceutical business	-	-
	1,679.28	**1,386.82**
ii) Depreciation		
a) Pharmaceutical business	846.68	936.21
b) Bio-pharmaceutical business	-	-
	4,205.24	**3,709.85**
D) Segment results		
(i) Profit/ (loss) before exceptional items and tax		
a) Pharmaceutical business	749.86	(497.60)
b) Bio-pharmaceutical business	-	-
	749.86	**(497.60)**
(ii) Exceptional items - net gain / (loss)		
a) Pharmaceutical business	(53.65)	(150.00)
b) Bio-pharmaceutical business	-	-
	(53.65)	**(150.00)**
(iii) Profit/ (loss) before tax		
a) Pharmaceutical business	696.21	(647.60)
b) Bio-pharmaceutical business	-	-
Profit/ (loss) before tax [i+ii+iii]	**696.21**	**(647.60)**
Tax expense	41.30	(694.42)
(iv) Profit/(loss) after tax from continuing operations	**654.91**	**46.82**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

37. Segment information (Contd.)

Segment assets and liabilities

₹ In Million

Particulars	31-Mar-24	31-Mar-23
i) Segment Assets		
a) Pharmaceutical business	53,216.46	51,033.77
b) Bio-pharmaceutical business	5,161.36	5,163.65
Total Segment Assets	**58,377.82**	**56,197.42**
ii) Segment Liabilities		
a) Pharmaceutical business	22,766.59	21,646.91
b) Bio-pharmaceutical business	-	-
Total Segment Liabilities	**22,766.59**	**21,646.91**

38 Details of Loans and Investments during the year

38.1 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, 2023	Given during the year	Repayment during the year	As at March 31, 2024
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	11.50%	1 Year	668.05	-	529.17	138.88
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	10.95%	2 Years	250.00	-	-	250.00
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	14.00%	2 Years	254.41	250.00	-	504.41
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	10.65%	3 Years	0.05	434.95	85.00	350.00
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	12.00%	2 Years	-	69.10	0.54	68.56
Arcolab Private Limited, India	Wholly owned subsidiary	Unsecured	11.50%	1 Year	-	200.00	200.00	-
Strides Consumer Private Limited	Others	Unsecured	11.85%	1 Year	30.00	-	-	30.00
Total					1,202.51	954.05	814.71	1,341.85

*Formerly known as Vivimed Lifesciences Private Limited

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
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	10.50%	2 Years	1,216.09	80.42	628.46	668.05
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	10.95%	2 Years	-	250.00	-	250.00
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	14.00%	2 Years	-	254.41	-	254.41

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

38 Details of Loans and Investments during the year (Contd.)

₹ 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
Strides Alathur Private Limited*	Wholly owned subsidiary	Unsecured	10.65%	3 Years	-	387.05	387.00	0.05
Strides Consumer Private Limited	Others	Unsecured	10%	5 Years	30.00	-	-	30.00
Total					**1,246.09**	**971.88**	**1,015.46**	**1,202.51**

*Formerly known as Vivimed Lifesciences Private Limited

All the above loans are given for the purpose of business operations of the borrowers as long term strategic investment.

38.2 Details of non-current investments purchased and sold during the year:

₹ In Million

Particulars	Face value per unit	As at April 1, 2023	Invested during the year	Sold during the year	As at March 31, 2024
(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
Strides Alathur Private Limited, India (formerly known as Vivimed Lifesciences Private Limited)	₹ 10	1,347.42	-	-	1,347.42
Arcolab Private Limited, India	₹ 10	1,122.79	-	-	1,122.79
Strides Pharma Services Private Limited, India	₹ 10	-	0.50	-	0.50
		19,759.13	**0.50**	**-**	**19,759.63**
(B) Investments in associates: (Carried at cost)					
Equity shares, unquoted					
Onesource Specialty Pharma Limited, India (formerly known as Stelis Biopharma Private Limited)	₹ 1	5,308.55	-	-	5,308.55
		5,308.55	**-**	**-**	**5,308.55**
(C) Other investments (Carried at fair value through profit and loss)					
Equity shares, unquoted					
AMP Energy C&I Six Private Limited, India	₹ 10	-	2.53	-	2.53
AMP Energy C&I Eight Private Limited, India	₹ 10	-	39.90	-	39.90

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

38 Details of Loans and Investments during the year (Contd.)

₹ In Million

Particulars	Face value per unit	As at April 1, 2023	Invested during the year	Sold during the year	As at March 31, 2024
Compulsorily Convertible Debentures, unquoted					
AMP Energy C&I Six Private Limited, India	₹ 1000	-	22.74	-	22.74
		-	**65.17**	**-**	**65.17**
Aggregate amount of impairment in value of investments		(150.00)	-	-	(150.00)
Total		**24,917.68**	**65.67**	**-**	**24,983.35**

Details of non-current investments purchased and sold during the previous 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
Strides Alathur Private Limited, India (formerly known as Vivimed Lifesciences Private Limited)	₹ 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					
Onesource Specialty Pharma Limited, India (formerly known as Stelis Biopharma Private Limited)	₹ 1	5,308.55	-	-	5,308.55
Strides Consumer Private Limited, India	₹ 100	-	-	-	-
		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**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

38 Details of Loans and Investments during the year (Contd.)

38.3 Movement in corporate guarantee during the year

₹ In Million

Particulars	As at April 1, 2023	Given during the year	Withdrawn/ Cancelled during the year	Exchange rate movement	As at March 31, 2024
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments and Working capital borrowings	8,236.22	-	(6,120.88)	113.25	2,228.59
Onesource Specialty Pharma Limited, India* - Banks and financial institutions Purpose: Non-current and working capital borrowings	11,213.87	6,430.00	(9,098.86)	54.99	8,600.00
Strides Pharma Inc., USA- Banks and financial institutions Purpose: workings capital borrowings	657.67	-	-	9.36	667.03
Strides Alathur Private Limited, India** - Banks and financial institutions Purpose: Non-current and working capital borrowings	620.00	5.00	-	-	625.00
Strides Pharma UK Ltd, UK - Banks and financial institutions Purpose: Asset acquisition and Working capital borrowings	608.53	-	(631.59)	23.06	0.00
Arco Lab Private Limited, India - Banks and financial institutions Purpose: Asset acquisition	-	500.00	-	-	500.00
Total	**21,336.29**	**6,935.00**	**(15,851.33)**	**200.66**	**12,620.62**

*Formerly known as Stelis Biopharma Private Limited

**Formerly known as Vivimed Lifesciences Private Limited

Movement in corporate guarantee during the previous 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 Purpose: Non-current borrowings for capital investments and Working capital borrowings	9,503.61	-	(1,898.85)	631.46	8,236.22
Onesource Specialty Pharma Limited, India* - Banks and financial institutions Purpose: Non-current borrowings for capital investments and Working capital borrowings	9,419.83	1,500.00	-	294.04	11,213.87
Strides Pharma Inc., USA- Banks and financial institutions Purpose: Non-current and workings capital borrowings	1,139.30	-	(481.63)	-	657.67

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

38 Details of Loans and Investments during the year (Contd.)

₹ 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 Alathur Private Limited, India** - Banks and financial institutions Purpose: Working capital borrowings	320.00	300.00	-	-	620.00
Strides Pharma UK Ltd, UK - Banks and financial institutions Purpose: Asset acquisition and Working capital borrowings	598.73	-	-	9.80	608.53
Total	**20,981.47**	**1,800.00**	**(2,380.48)**	**935.30**	**21,336.29**

*Formerly known as Stelis Biopharma Private Limited
**Formerly known as Vivimed Lifesciences Private Limited

38.4 Movement in securities pledged during the year

₹ In Million

Particulars	As at April 1, 2023	Given during the year	Withdrawn/ Cancelled during the year	As at March 31, 2024
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments Charge on the Fixed assets of the Company	3,500.00	-	3,500.00	-
Onesource Specialty Pharma Limited, India* - Banks and financial institutions Purpose: Non-current borrowings for capital investments (i) Second pari-passu Charge on Shares Pledged by the Company	4,463.80	-	3,403.80	1,060.00

*Formerly known as Stelis Biopharma Private Limited

Movement in securities pledged during the previous 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 Purpose: Non-current borrowings for capital investments Charge on the Fixed assets of the Company	3,500.00	-	-	3,500.00
Onesource Specialty Pharma Limited, India* - Banks and financial institutions Purpose: Non-current borrowings for capital investments (i) Second pari-passu Charge on Shares Pledged by the Company	4,009.00	454.80	-	4,463.80

*Formerly known as Stelis Biopharma Private Limited

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

38 Details of Loans and Investments during the year (Contd.)

38.5 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

Borrower	Outstanding		Maximum amount outstanding during the year ended	
	As at March 31, 2024	As at March 31, 2023	March 31, 2024	March 31, 2023
Strides Consumer Private Limited	30.00	30.00	30.00	30.00
Arcolab Private Limited, India	-	-	200.00	-
Strides Alathur Private Limited* (interest range 10.65% p.a to 14.00% p.a)	1,311.84	1,172.51	1,311.84	1,227.11
Total	**1,341.84**	**1,202.51**	**1,541.84**	**1,257.11**

*Formerly known as Vivimed Lifesciences Private Limited

39. Commitments

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	462.42	279.74
Total	**462.42**	**279.74**

40. Contingent liabilities (to the extent not provided for)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
a) Corporate guarantees		
The Corporate has 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)*	6,827.44	11,843.37
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.	60.21	699.02
- 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.	819.40	588.01

* Refer note 43

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

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.

41. 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 10,000 options (Previous year: 442,500) under this scheme during the current year.

(b) During the current year, Employee compensation costs of ₹ 13.49 million (for the year ended March 31, 2023: ₹ 12.68 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 XVI are ₹ 172.27. 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-XVI
No of Options	10,000
Grant date share price	₹ 377.60
Exercise price	₹ 283.50
Expected volatility	38.39%
Option life	3 years
Expected Dividend %	20.00%
Risk-free interest rate	6.990%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2023-24		During the year 2022-23	
	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:	3,70,000	237.55	1,35,250	393.98
Granted during the year:	10,000	283.50	4,42,500	234.21
Exercised during the year:**	(54,500)	252.05	(46,500)	294.06
Lapsed/ cancelled during the year:	(61,500)	237.14	(1,61,250)	351.10
Options outstanding at the end of the year:*	2,64,000	236.39	3,70,000	237.55
Options available for grant:	23,60,950	-	23,09,450	-

* Includes options vested but not exercised as at March 31, 2024 : Nil (March 31, 2023: Nil)

** Includes options exercised but not allotted as at March 31, 2024 : 5,000 (March 31, 2023: Nil)

The weighted average remaining contractual life is 1.81 years (March 31, 2023: 2.51 years) and the range of exercise price is ₹ 231 to ₹ 311 (March 31, 2023: ₹ 231 to ₹ 599)

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

41. Share-based payments (Contd.)

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 was 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 was Nil (cost reversal for the year ended March 31, 2023: ₹ 3.00 Million) relating to the plan have been recorded in the statement of Profit and Loss.

42. 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 ₹ 157.06 Million for provident fund contributions, ₹ 2.61 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 impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age , the longevity risk is not very material. 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-24	31-Mar-23
Discount rate(s)	7.19%	7.36%
Expected rate(s) of salary increase	8.00%	8.00%
Attrition rate	14.00%	15.00%
Mortality Rate	As per IALM (2012-14) ultimate	
Retirement age (years)	58 years	58 years

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

42. Employee Benefits Plans (Contd.)

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Service cost:		
Current service cost	44.19	56.96
Net interest expense	21.98	21.43
Components of defined benefit costs recognised in statement of profit and loss	**66.17**	**78.39**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short	(4.82)	(2.00)
Actuarial losses arising from changes in demographic assumptions	0.82	(17.53)
Actuarial losses arising from changes in financial assumptions	4.56	(51.52)
Actuarial losses arising from experience adjustments	52.49	(8.80)
Components of defined benefit costs recognised in other comprehensive income	**53.05**	**(79.85)**
Total	**119.22**	**(1.46)**

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-24	31-Mar-23
Present value of funded defined benefit obligation	529.14	426.99
Fair value of plan assets	(90.09)	(93.77)
Funded status	**439.05**	**333.22**
Present value of unfunded defined benefit obligation	-	-
Net liability arising from defined benefit obligation	**439.05**	**333.22**

Movements in the present value of the defined benefit obligation are as follows:

₹ In Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Opening defined benefit obligation	426.99	464.87
(Less): pursuant to transfer of employees to a subsidiary	(4.40)	-
Expenses recognised in statement of profit and loss		
Current service cost	44.20	56.96
Interest cost	28.88	30.41
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	4.56	(51.52)
Actuarial gains and losses arising from experience adjustments	52.49	(8.80)
Actuarial gains and losses arising from demographic assumption	0.82	(17.53)
Benefits paid	(24.40)	(47.40)
Closing defined benefit obligation	**529.14**	**426.99**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

42. Employee Benefits Plans (Contd.)

Movements in the fair value of the plan assets are as follows:

₹ In Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Opening fair value of plan assets	93.77	130.19
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	6.90	8.98
Contributions from the employer	9.00	-
Actuarial gain/(loss) on plan assets	4.82	2.00
Benefits paid	(24.40)	(47.40)
Closing fair value of plan assets	**90.09**	**93.77**

Details of Plan Assets:

₹ In Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
The weighted average asset allocations at the year end were as follows:		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled asset with an insurance company	100%	100%
Others	0%	0%
Total	**100%**	**100%**
Actual return on plan assets	**11.72**	**10.99**

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 ₹ 501.75 Million/₹ 559.60 Million as at March 31, 2024.

If the expected salary growth increases/(decrease) by 1%, the defined benefit obligation would be ₹ 552.51 Million/₹ 506.08 Million as at March 31, 2024.

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 company contributions for FY 24-25 is ₹ 80.89 millions

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

42. Employee Benefits Plans (Contd.)

Maturity profile of Defined Benefit Obligation

₹ In Million

Financial Year	Amount
2024-25	80.89
2025-26	72.41
2026-27	78.11
2027-28	64.69
2028-29	60.93
2029-30 to 2033-34	235.02
Above 2033-34	236.14
Average Expected Future Working life (Years)	6.64

43. 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
	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited, India)
	Strides Pharma Services Private Limited, India (with effect from September 8, 2023)
	Step down subsidiaries
	Altima Innovations Inc, USA
	Arrow Life Sciences (Malaysia) Sdn. Bhd., Malaysia
	Generic Partners UK Limited, UK
	Pharmapar Inc, Canada
	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 Softgels Pte. Ltd., Singapore (with effect from September 15, 2023)
	Vensun Pharmaceuticals Inc, USA

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : List of related parties (Contd.)

Relationship	Name
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%) (upto January 30, 2024)
	Strides Pharma International AG (formerly Fairmed Healthcare AG, Switzerland) (70%)
	Fairmed Healthcare GmbH, Germany (70%)
	Strides Pharma (SA) Pty Limited, South Africa (51.76%)
	Strides Shasun Latina SA De CV, Mexico (80%) (upto March 31, 2024)
	Trinity Pharma Proprietary Limited, South Africa (51.76%)
	UCL Brands Limited, Kenya (with effect from May 30, 2023) (51%)
	Neviton Softech Private Limited, India (with effect from January 5, 2024) (50%)
	Neviton Technologies Inc. USA (with effect from January 5, 2024) (50%)
	Trusts:
	Strides Foundation Trust, India
Joint Ventures (JV)	Sihuan Strides (HK) Ltd, Hongkong
Associates	Aponia Laboratories Inc, USA
	Biolexis Private Limited, India (with effect from Jan 17, 2022)
	Regional Bio Equivalence Centre S.C., Ethiopia
	OneSource Specialty Pharma Limited, India (Formely known as Stelis Biopharma Limited, India)
	Stelis Pte. Ltd, Singapore
	Biolexis Pte Ltd, Singapore
	Neviton Softech Private Limited, India (Up to January 4, 2024)
	Neviton Technologies Inc. USA (Up to January 4, 2024)
	Universal Corporation Limited, Kenya (with effective from September 30, 2022)
	Stelis Biopharma UK Private Limited, UK (with effective from July 11, 2022)
	Strides Consumer Private Limited, India (upto August 8, 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
	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
	Mr. Ameet P Hariani, Independent Director (from February 1, 2024)
	Ms. Manjula Ramamurthy, Company Secretary

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : List of related parties (Contd.)

Relationship	Name
Enterprises controlled or significantly influenced by directors, key management personnel and their relatives	Atma Projects, India
	Aurore Life Sciences Private Limited, India
	Aurore Pharmaceuticals Private Limited, India
	Chayadeep Properties Private Limited, India
	K.R. Anuradha
	Naari Pharma Private Limited, India
	Solara Active Pharma Sciences Limited, India
	Steriscience Specialties Private Limited, India
	Brooks Steriscience Limited
	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 Limted, India)
	Venkata Narayana Active Ingredients, India
	Velbiom Proboitics Private Limited, India (formerly Tenshi Life Care Private Limited, India)

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions: Related party closing balances

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
Balance of (trade payables) net of advance paid :										
1 Arco Lab Private Limited, India	20.45	-	-	-	-	-	-	-	-	-
2 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	(70.60)	(22.19)
3 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	(1.18)	(54.34)
4 Beltapharm S.p.A.	-	-	1.20	-	-	-	-	-	-	-
5 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	0.52	-
6 Strides Pharma International AG (formerly Fairmed Healthcare AG)	-	-	0.59	(0.25)	-	-	-	-	-	-
7 Fair-Med Healthcare Gmbh	-	-	(199.73)	(140.64)	-	-	-	-	-	-
8 Strides Pharma Inc.	2.75	(50.64)	-	-	-	-	-	-	-	-
9 Strides Pharma Global Pte Limited	(50.70)	(195.64)	-	-	-	-	-	-	-	-
10 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(789.79)	(1,975.95)
11 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	(8.72)	(0.90)	-	-	-	-
12 Strides Lifesciences Limited	-	(0.58)	-	-	-	-	-	-	-	-
13 Universal Corporation Limited	-	-	-	-	(1.94)	(1.66)	-	-	-	-
14 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	(55.40)	(4.28)	-	-	-	-	-	-	-	-
15 Strides Pharma (UK) Limited, UK	(127.01)	(160.31)	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions: Related party closing balances (Contd.)

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
16	Venkata Narayana Active Ingredients	-	-	-	-	-	-	-	-	-	(6.58)
17	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	(5.30)
18	Strides Pharma Netherland B.V	(38.14)	(14.30)	-	-	-	-	-	-	-	-
19	Strides South Africa Pty Ltd	-	-	(0.12)	(0.12)	-	-	-	-	-	-
20	Strides Pharma (Cyprus) Limited	7.60	-	-	-	-	-	-	-	-	-
21	Naari Pharma Private Limited	-	-	-	-	-	-	-	-	(0.05)	-
22	Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	(1.22)	-
23	Strides Nordic Aps	(3.16)	-	-	-	-	-	-	-	-	-
Balance of trade receivables (net of advance received):											
1	Arco Lab Private Limited, India	26.35	0.59	-	-	-	-	-	-	-	-
2	Beltapharm S.p.A.	-	-	-	1.17	-	-	-	-	-	-
3	Strides Pharma International AG (formerly Fairmed Healthcare AG)	-	-	(0.57)	-	-	-	-	-	-	-
4	Naari Pharma Private Limited	-	-	-	-	-	-	-	-	-	1.40
5	Sihuan Strides (Hk) Limited	-	-	-	-	12.46	40.09	-	-	-	-
6	Strides Pharma (UK) Limited, UK	532.89	1,236.41	-	-	-	-	-	-	-	-
7	Strides Pharma Canada Inc.,	16.73	3.84	-	-	-	-	-	-	-	-
8	Strides Netherlands B.V	18.63	23.28	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions: Related party closing balances (Contd.)

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
9	Strides Shasun Latina SA De CV	-	-	-	0.79	-	-	-	-	-	-
10	Strides South Africa Pty Ltd	-	-	38.44	103.60	-	-	-	-	-	-
11	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	1.69
12	Brooks Steriscience Limited	-	-	-	-	-	-	-	-	1.56	-
13	Strides Pharma Global Pte Limited	12,274.34	9,487.94	-	-	-	-	-	-	-	-
14	Strides Nordic Aps	-	212.00	-	-	-	-	-	-	-	-
15	Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	147.57	55.45	-	-	-	-
16	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	8.74	11.67
17	Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.05	0.06
18	Trinity Pharma (Pty) Ltd	-	-	29.60	15.96	-	-	-	-	-	-
19	Strides Pharma Inc.	105.65	129.18	-	-	-	-	-	-	-	-
20	Universal Corporation Limited	-	-	-	-	47.73	18.18	-	-	-	-
21	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	299.11	164.20	-	-	-	-	-	-	-	-
22	Strides Pharma (Cyprus) Limited	16.16	-	-	-	-	-	-	-	-	-
23	Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	172.66	68.17

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions: Related party closing balances (Contd.)

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
Loan Receivable										
1 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	1,311.84	1,172.51	-	-	-	-	-	-	-	-
Guarantees/security given*										
1 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	8,910.00	11,778.67	-	-	-	-
2 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	625.00	620.00	-	-	-	-	-	-	-	-
3 Strides Pharma Global Pte Limited	2,228.58	8,236.22	-	-	-	-	-	-	-	-
4 Strides Pharma Inc.	667.03	657.67	-	-	-	-	-	-	-	-
5 Strides Pharma (UK) Limited, UK	-	608.53	-	-	-	-	-	-	-	-
6 Arco Lab Private Limited, India	500.00	-	-	-	-	-	-	-	-	-
Balance of Deposit paid										
1 Atma Projects	-	-	-	-	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	21.88	20.77
3 K.R. Anuradha	-	-	-	-	-	-	-	-	46.07	46.07
Balance of deposits received										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	7.20	7.20

* In respect of loans against which the Company has given guarantee as well as pledged security, the amount of guarantee outstanding under Note 43 has been disclosed, since the guarantee amount exceeds the underlying amount of loan outstanding as at March 31, 2024

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions: Related party closing balances (Contd.)

₹ 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-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-24	As at 31-Mar-23
Other financial assets / (liabilities) and other assets /(liabilities)										
1 Beltapharm S.p.A.	-	-	2.10	3.21	-	-	-	-	-	-
2 Strides Pharma International AG (formerly Fairmed Healthcare AG)	-	-	-	(0.63)	-	-	-	-	-	-
3 Strides Pharma Services Private Limited	0.03	-	-	-	-	-	-	-	-	-
4 Strides Nordic Aps	4.41	-	-	-	-	-	-	-	-	-
5 Strides Pharma Asia Pte Limited	171.62	-	-	-	-	-	-	-	-	-
6 Strides Pharma (Cyprus) Limited	(7.38)	(78.78)	-	-	-	-	-	-	-	-
7 Strides Pharma Canada Inc.,	0.06	-	-	-	-	-	-	-	-	-
8 Strides Pharma Global Pte Limited	20.51	(59.09)	-	-	-	-	-	-	-	-
9 Velbiom Proboitics Private Limited	-	-	-	-	-	-	-	-	5.86	5.86
10 Strides Pharma (UK) Limited, UK	9.69	6.08	-	-	-	-	-	-	-	-
11 Strides Pharma Inc.	(22.05)	(7.73)	-	-	-	-	-	-	-	-
12 Universal Corporation Limited	-	-	-	-	41.47	32.48	-	-	-	-
13 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	201.79	232.44	-	-	-	-	-	-	-	-
14 Arcolab Private Limited	-	3.42	-	-	-	-	-	-	-	-
15 Atma Projects	-	-	-	-	-	-	-	-	-	29.50
16 Chayadeep Properties Pvt Ltd	-	-	-	-	-	-	-	-	-	12.16
17 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	0.02
18 Dr. R Ananthanarayanan	-	-	-	-	-	-	24.54	111.90	-	-
19 Dr. Kausalya Santhanam	-	-	-	-	-	-	(0.20)	-	-	-
20 Mr. S.Sridhar	-	-	-	-	-	-	(0.20)	-	-	-
21 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	(0.20)	-	-	-
23 Mr. Bharat D Shah	-	-	-	-	-	-	(0.20)	-	-	-
24 Mr. Ameet Pratapsinh Hariani	-	-	-	-	-	-	(0.20)	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Sales of materials/ services										
1 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	71.07	47.63
2 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	49.10	0.07	-	-	-	-
3 Strides Pharma (UK) Limited, UK	1,647.29	609.58	-	-	-	-	-	-	-	-
4 Strides Pharma (Cyprus) Limited	136.43	444.72	-	-	-	-	-	-	-	-
5 Strides Pharma Global Pte Limited	13,919.86	11,046.33	-	-	-	-	-	-	-	-
6 Strides Pharma Inc.	27.12	58.75	-	-	-	-	-	-	-	-
7 Strides Pharma Canada Inc.,	27.23	3.82	-	-	-	-	-	-	-	-
8 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	8.00	0.10
9 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	0.08
10 Trinity Pharma (Pty) Ltd	-	-	53.13	14.68	-	-	-	-	-	-
11 Universal Corporation Limited	-	-	-	67.09	48.69	3.06	-	-	-	-
12 Fairmed Healthcare AG	-	-	-	7.28	-	-	-	-	-	-
13 Strides Netherlands B.V	49.44	65.68	-	-	-	-	-	-	-	-
14 Strides Nordic Aps	36.01	316.39	-	-	-	-	-	-	-	-
15 Strides South Africa Pty Ltd	-	-	199.05	46.69	-	-	-	-	-	-
16 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	84.14	120.03	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
16 Strides Consumer Private Limited	-	-	-	-	-	10.56	-	-	-	-
15 Sihuan Strides (H K) Limited	-	-	-	-	12.25	-	-	-	-	-
16 Beltapharm Spa	-	-	0.83	-	-	-	-	-	-	-
17 SVADS Holding SA	25.59	-	-	-	-	-	-	-	-	-
Sale of intellectual property rights										
1 Strides Pharma Global Pte Limited	18.70	543.62	-	-	-	-	-	-	-	-
2 Strides Pharma (UK) Limited, UK	371.30	-	-	-	-	-	-	-	-	-
Sale of property, plant and equipment										
1 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	-	0.97	-	-	-	-
2 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	1.17	1.42	-	-	-	-	-	-	-	-
3 Brooks Steriscience Limited	-	-	-	-	-	-	-	-	1.32	-
4 Strides Pharma Global Pte Limited	2.08	-	-	-	-	-	-	-	-	-
Interest income										
1 Strides Consumer Private Limited	-	-	-	-	-	1.00	-	-	-	-
2 Arco Lab Private Limited	1.94	-	-	-	-	-	-	-	-	-
3 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	135.19	136.93	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Guarantee commission income										
1 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	48.78	59.49	-	-	-	-
2 Arco Lab Private Limited	4.01	-	-	-	-	-	-	-	-	-
3 Strides Pharma Global Pte Limited	35.73	64.99	-	-	-	-	-	-	-	-
4 Strides Pharma Inc.	6.64	10.89	-	-	-	-	-	-	-	-
5 Strides Pharma (UK) Limited, UK	0.82	2.37	-	-	-	-	-	-	-	-
6 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	2.80	2.53	-	-	-	-	-	-	-	-
Guarantee/security given										
1 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	6,430.00	1,954.80	-	-	-	-
2 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	5.00	300.00	-	-	-	-	-	-	-	-
3 Arco Lab Private Limited	500.00	-	-	-	-	-	-	-	-	-
Support service income										
1 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	16.03	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	-	0.40	-	-	-	-
3 Strides Global Consumer Healthcare Limited	-	-	-	-	-	0.16	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions		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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
4	Strides Consumer LLC	-	-	-	-	-	0.16	-	-	-	-
5	Strides Pharma (Cyprus) Limited	40.03	30.44	-	-	-	-	-	-	-	-
6	Strides Pharma Global Pte Limited	31.14	22.23	-	-	-	-	-	-	-	-
7	Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	31.12	-
8	Strides Pharma Inc.	82.39	73.82	-	-	-	-	-	-	-	-
Rental income from operating leases											
1	Strides Consumer Private Limited	-	-	-	-	-	0.30	-	-	-	-
2	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	16.74	16.01
3	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	0.07	0.07	-	-	-	-	-	-	-	-
4	Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	-	1.11	-	-	-	-
Dividend income											
1	Strides Pharma Asia Pte Limited	295.74	-	-	-	-	-	-	-	-	-
Purchase of materials/ services											
1	Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	179.33	116.00
2	Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.98	32.28
3	Strides Pharma Global Pte Limited	-	83.32	-	-	-	-	-	-	-	-
4	Strides Pharma Inc.	28.15	10.74	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions		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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
5	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	1,361.78	2,023.22
6	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	117.05	28.38	-	-	-	-	-	-	-	-
7	Venkata Narayana Active Ingredients	-	-	-	-	-	-	-	-	-	7.08
8	Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	0.59	-
Support service expenses											
1	Arco Lab Private Limited	756.24	598.45	-	-	-	-	-	-	-	-
2	Strides Consumer Private Limited	-	-	-	-	-	0.40	-	-	-	-
Purchase of assets											
1	Strides Pharma Global Pte Limited	67.27	46.15	-	-	-	-	-	-	-	-
2	Arco Lab Private Limited	10.48	-	-	-	-	-	-	-	-	-
3	Naari Pharma Private Limited	-	-	-	-	-	-	-	-	0.04	-
4	Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	6.64	-	-	-	-	-
5	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	3.80	-	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Reimbursement of expenses incurred by										
1 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.02	0.11
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	3.16
3 Fairmed Healthcare AG	-	-	-	0.19	-	-	-	-	-	-
4 Fair-Med Healthcare Gmbh	-	-	64.32	96.40	-	-	-	-	-	-
5 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	-	5.60	-	-	-	-
6 Strides Consumer Private Limited	-	-	-	-	-	0.01	-	-	-	-
7 Strides Lifesciences Limited	0.31	0.57	-	-	-	-	-	-	-	-
8 Strides Netherlands B.V	19.90	13.01	-	-	-	-	-	-	-	-
9 Strides Pharma (UK) Limited, UK	36.06	89.43	-	-	-	-	-	-	-	-
10 Strides Pharma Global Pte Limited	217.65	126.83	-	-	-	-	-	-	-	-
11 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	131.44	122.92
12 Strides Pharma Inc.	5.68	26.02	-	-	-	-	-	-	-	-
13 Universal Corporation Limited	-	-	-	-	1.03	-	-	-	-	-
14 Strides South Africa Pty Ltd	-	-	-	0.12	-	-	-	-	-	-
15 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	15.17	0.18
16 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	6.37
17 Strides Nordic Aps	4.62	-	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Reimbursement of expenses incurred on behalf of										
1 Arco Lab Private Limited	31.79	22.10	-	-	-	-	-	-	-	-
2 Strides Pharma International AG (formerly Fairmed Healthcare AG)	-	-	0.90	0.80	-	-	-	-	-	-
3 Fair-Med Healthcare Gmbh	-	-	0.37	-	-	-	-	-	-	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	5.77	10.84
5 Onesource Specialty Pharma Limited (formerly Stelis Biopharma Limited)	-	-	-	-	28.03	9.50	-	-	-	-
6 Strides Consumer Private Limited	-	-	-	-	-	0.51	-	-	-	-
7 Strides Pharma Canada Inc.,	0.06	0.25	-	-	-	-	-	-	-	-
8 Strides Pharma Global Pte Limited	73.35	205.72	-	-	-	-	-	-	-	-
9 Strides Pharma (Cyprus) Limited	5.38	8.90	-	-	-	-	-	-	-	-
10 Strides Pharma Asia Pte Limited	46.57	37.80	-	-	-	-	-	-	-	-
11 Strides Pharma Inc.	24.87	29.58	-	-	-	-	-	-	-	-
12 Strides Pharma (UK) Limited, UK	19.87	14.60	-	-	-	-	-	-	-	-
13 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	14.03	20.75
14 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.04	0.02
15 Universal Corporation Limited	-	-	-	14.35	9.31	2.51	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions		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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
16	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	33.43	23.29	-	-	-	-	-	-	-	-
17	Strides CIS Limited	-	33.28	-	-	-	-	-	-	-	-
18	Naari Pharma Private Limited	-	-	-	-	-	-	-	-	-	2.34
19	Strides Lifesciences Limited	0.82	-	-	-	-	-	-	-	-	-
20	Strides Nordic Aps	6.02	-	-	-	-	-	-	-	-	-
21	Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	-
22	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	2.00	4.26
Lease Payments											
1	Atma Projects	-	-	-	-	-	-	-	-	99.98	94.32
2	Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	31.54	29.76
3	Strides Pharma Global Pte Limited	28.18	26.86	-	-	-	-	-	-	-	-
4	K.R. Anuradha	-	-	-	-	-	-	-	-	21.26	21.26
Loans / advances given / repaid by Company											
1	Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	754.14	971.88	-	-	-	-	-	-	-	-
2	Arco Lab Private Limited	200.00	-	-	-	-	-	-	-	-	-
3	Strides Pharma Services Private Limited	0.03	-	-	-	-	-	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Loans / advances taken by Company / repaid to Company										
1 Strides Alathur Private Limited (formerly Vivimed Life Sciences Private Limited)	614.80	1,015.46	-	-	-	-	-	-	-	-
2 Arco Lab Private Limited	200.00	-	-	-	-	-	-	-	-	-
Investments during the year										
1 Arco Lab Private Limited	-	1,070.06	-	-	-	-	-	-	-	-
2 Strides Pharma Services Private Limited	0.50	-	-	-	-	-	-	-	-	-
Donation Paid										
1 Strides Foundation Trust	-	-	-	-	-	-	-	-	31.80	16.40
Short term employee benefits paid to (Refer note (i) below)										
1 Mr. Badree Komandur	-	-	-	-	-	-	44.00	36.50	-	-
2 Ms. Manjula Ramamurthy	-	-	-	-	-	-	6.85	5.86	-	-
3 Mr. Arun Kumar	-	-	-	-	-	-	120.00	-	-	-
4 Mr. Aditya Kumar	-	-	-	-	-	-	7.50	-	-	-
Sitting fees paid										
1 Dr. Kausalya Santhanam	-	-	-	-	-	-	2.00	1.20	-	-
2 Mr. Deepak Vaidya	-	-	-	-	-	-	-	0.70	-	-
3 Mr. S.Sridhar	-	-	-	-	-	-	2.00	1.20	-	-
4 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	2.00	1.20	-	-
5 Mr. Bharat D Shah	-	-	-	-	-	-	2.00	1.20	-	-
6 Mr. Ameet Pratapsinh Hariani	-	-	-	-	-	-	0.40	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

43. Related party transactions : Transactions during the year (Contd.)

₹ In Million

Nature of Transactions	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-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Remuneration to Non-executive directors										
1 Dr. Kausalya Santhanam	-	-	-	-	-	-	1.00	-	-	-
2 Mr. S.Sridhar	-	-	-	-	-	-	1.00	-	-	-
3 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	1.00	-	-	-
4 Mr. Bharat D Shah	-	-	-	-	-	-	1.00	-	-	-

Note

i. The compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

44. 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 4 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-24	31-Mar-23
Gross carrying amount of assets leased	134.99	134.99
Accumulated depreciation	(18.88)	(12.38)
Undiscounted future lease income:		
Not later than one year	-	2.78
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**2.78**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

45. Earnings per share

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Profit attributable to the equity holders of the Company	654.91	46.82
Weighted average number of equity shares used for computation of basic earnings per share	**91,001,818**	**90,080,778**
Add : Effect of potentially dilutive equity shares - Employee stock option	124,741	4,833
Weighted average number of equity shares used for computation of diluted earnings per share	**91,126,559**	**90,085,611**
Earnings per share		
Basic (₹)	7.20	0.52
Diluted (₹)	7.19	0.52

46. Financial instruments

46.1 Categories of financial instruments

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	1,162.62	908.54
(b) Loans	1,391.85	1,246.25
(c) Security deposits	166.12	159.11
(d) Trade receivables	15,085.06	13,077.79
(e) Other financial assets	666.81	512.24
Measured at FVTOCI		
(a) Derivative asset	42.62	36.42
Measured at FVTPL		
(a) Investments	65.17	-
(b) Derivative asset	18.78	-
Financial liabilities:		
Measured at FVTOCI		
(a) Derivative liability	10.59	55.48
Measured at FVTPL		
(a) Payables to employees under cash settled share based payment plan	-	30.00
Measured at amortised cost		
(a) Borrowings	15,941.78	13,492.04
(b) Lease liabilities	556.15	650.00
(c) Security deposit	7.20	7.20
(d) Trade payables	5,041.59	6,434.42
(e) Other financial liabilities	437.94	315.74

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).

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

46. Financial instruments (Contd.)

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 31-Mar-24	Fair value as at 31-Mar-23	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	42.62	36.42	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Foreign currency forward contracts designated as at FVTPL	18.78	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Financial liabilities:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	10.59	55.48	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	Level 1	The fair value of cash settled share based payments is determined using underlying value of the equity shares of the company.

46.2 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 amortized cost will reasonably approximate their fair values.

₹ In Million

Particulars	31-Mar-24		31-Mar-23	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	1,391.85	1,391.85	1,246.25	1,246.25
Security deposit	166.12	166.12	159.11	199.14
Financial liabilities				
Borrowings	15,941.78	15,980.33	13,492.04	13,555.35
Lease liabilities	556.15	556.15	650.00	650.00
Security deposit	7.20	7.20	7.20	7.20

46.3 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 minimize 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 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:

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

46. Financial instruments (Contd.)

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.

46.3.1 Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover the forecast sales transactions

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts not designated in a cash flow hedge

Outstanding contracts	Average forward rate (in ₹)	Foreign currency (In million)	Nominal amounts (₹ In million)	Fair value assets/ (liabilities) (₹ In million)
As at March 31, 2024				
Sell EUR				
Less than 3 months	95.00	3.00	284.99	299.08
3 to 6 months	95.49	1.00	95.49	100.19
6 to 12 months	-	-	-	-
Total			**380.48**	**399.27**

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, 2024					
Sell USD					
Less than 3 months		-	-	-	-
3 to 6 months	Forecast sales	84.56	2.00	169.11	170.30
6 to 12 months		85.07	16.00	1,360.75	1,370.05
More than 12 months		85.97	51.00	4,382.51	4,386.61
Sell EUR					
Less than 3 months	Forecast sales	94.02	3.00	282.05	293.23
3 to 6 months		94.51	1.00	94.51	98.25
6 to 12 months		-	-	-	-
Sell GBP					
Less than 3 months	Forecast sales	105.94	3.80	402.46	404.98
3 to 6 months		-	-	-	-
6 to 12 months		-	-	-	-
Total				**6,691.39**	**6,723.42**
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**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

46. Financial instruments (Contd.)

The line-items in the balance sheet that include the above hedging instruments are - Non current financial assets (Refer note 10(i)), Other current financial assets (Refer note 10(ii)) & Other non-current financial liabilities (Refer note 21(i))

The details of unhedged foreign currency exposure are as follows:

₹ In Million

Receivable/(payable) / cash and bank/ (borrowings)	31-Mar-24		31-Mar-23	
Exposure to the currency	in foreign currency	in ₹	in foreign currency	in ₹
AUD	45.38	2,466.54	34.95	1,919.59
USD	78.09	6,507.53	22.88	1,875.88
GBP	4.26	447.67	10.99	1,113.85
EUR	(2.90)	(264.00)	6.52	579.05
CAD	1.51	93.11	0.42	25.56
SGD	0.12	7.58	0.10	6.02
AED	-	0.01	0.01	0.12
CNY	-	0.01	-	0.01
LKR	0.02	-	0.02	-
NZD	(0.01)	(0.36)	(0.01)	(0.37)
SEK	(0.01)	(0.06)	(0.03)	(0.25)
ZAR	-	0.01	-	0.01
CHF	-	0.09	-	0.03

46.3.2 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), Singapore Dollar (SGD) 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-24	31-Mar-23	31-Mar-24	31-Mar-23
Appreciation in the USD	212.09	59.25	211.61	61.02
Depreciation in the USD	(212.09)	(59.25)	(211.61)	(61.02)
Appreciation in the EUR	(7.97)	18.84	(8.45)	18.84
Depreciation in the EUR	7.97	(18.84)	8.45	(18.84)
Appreciation in the AUD	80.23	63.58	80.23	62.44
Depreciation in the AUD	(80.23)	(63.58)	(80.23)	(62.44)
Appreciation in the CAD	3.03	0.83	3.03	0.83
Depreciation in the CAD	(3.03)	(0.83)	(3.03)	(0.83)
Appreciation in the GBP	14.64	36.23	14.56	36.23
Depreciation in the GBP	(14.64)	(36.23)	(14.56)	(36.23)
Appreciation in the SGD	0.25	0.20	0.25	0.20
Depreciation in the SGD	(0.25)	(0.20)	(0.25)	(0.20)

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

46. Financial instruments (Contd.)

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.

46.4 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.

46.4.1 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 ₹ 159.60 Million (March 31, 2023: 135.55 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.

46.5 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.

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 is 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-24	Allowance for credit loss as at 31-Mar-24
Not Due	8,574.98	21.12
Less than 180 Days	3,831.14	56.96
180-360 Days	897.70	60.48
360-540 Days	950.04	13.44
540-720 Days	253.17	67.82
Over 720 Days	824.45	26.60
Total	**15,331.48**	**246.42**

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

46. Financial instruments (Contd.)

₹ 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**

Movement in expected credit loss allowance

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Balance at the beginning of the year	276.42	180.92
Written off during the year	(100.14)	(1.29)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	70.14	96.79
Total	**246.42**	**276.42**

46.6 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.

46.6.1 Liquidity analysis for non-derivative liabilities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on undiscounted contractual financial liabilities.

₹ 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, 2024	13,976.32	1,026.16	683.52	244.53	49.80	-	15,980.33	15,941.78
- As on March 31, 2023	10,644.61	1,325.06	903.16	562.55	120.00	-	13,555.38	13,492.04
Interest accrued but not due on borrowings								
- As on March 31, 2024	58.50	-	-	-	-	-	58.50	58.50
- As on March 31, 2023	58.54	-	-	-	-	-	58.54	58.54
Lease liabilities								
- As on March 31, 2024	170.21	179.70	168.56	39.82	42.21	125.02	725.52	556.15
- As on March 31, 2023	159.59	170.21	179.70	168.56	39.82	167.23	885.11	650.00

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

46. Financial instruments (Contd.)

₹ In Million

Financial liabilities	Due within (years) 1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5	Total	Carrying amount
Trade and other payable not in borrowings								
- As on March 31, 2024	5,486.72	-	-	-	-	-	5,486.72	5,486.73
- As on March 31, 2023	6,728.82	-	-	-	-	-	6,728.82	6,728.82

46.6.2 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, 2024						
- foreign exchange forward contracts, net	50.81	27.79	9.62	9.30	4.10	-
Total	**50.81**	**27.79**	**9.62**	**9.30**	**4.10**	**-**
March 31, 2023						
- foreign exchange forward contracts, net	(19.06)	(50.83)	14.75	17.02	-	-
Total	**(19.06)**	**(50.83)**	**14.75**	**17.02**	**-**	**-**

47 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 substantially met all the financial covenants. The Company has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2024 is 0.42

The Company is not subject to any externally imposed capital requirements.

47.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Non-current borrowings	1,969.88	2,847.43
Current maturities of non-current borrowings	1,428.41	798.91
Current borrowings- working capital loans	12,543.49	9,845.70
Total Debt	**15,941.78**	**13,492.04**
Less:		
Cash and cash equivalents	927.07	821.05
Balances in deposit accounts (Refer note 17)	156.66	7.32

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

47 Capital management (Contd.)

₹ In Million

Particulars	31-Mar-24	31-Mar-23
Balance held as margin money against working capital facilities with banks	8.75	8.29
Fixed deposit with bank - non current (Refer note 10(i))	5.77	10.14
Balance held as margin money against long term borrowings with others	38.54	42.60
Cash and cash equivalents and other bank balances	**1,136.79**	**889.40**
Adjusted net debt (A)	**14,804.99**	**12,602.64**
Total Equity (B)	**35,611.23**	**34,550.51**
Net debt to equity ratio (A/B)	**0.42**	**0.36**

(i) Debt is defined as Non current borrowings and current borrowings.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

48. Additional Regulatory Information

48.1. 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	Tuesday, May 9, 1995	The apartment is inside a housing cooperative society. The Company is yet to transfer the title deeds of such properties in its name.
Property, plant and equipment	Building	428.42	Shasun Pharmaceuticals Ltd.	No	Thursday, 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 yet to transfer the title deeds of such properties in its name.
Property, plant and equipment	Freehold Land	0.81	Grandix Pharmaceuticals Limited	No	Thursday, December 31, 2009	
Property, plant and equipment	Freehold Land	11.76	Shasun Chemicals and Drugs Ltd.	No	Friday, April 1, 2016	
Property, plant and equipment	Freehold Land	48.69	Shasun Pharmaceuticals Ltd.	No	Thursday, November 19, 2015	
Investment property	Freehold Land	22.20	Shasun Chemicals and Drugs Ltd.	No	Friday, April 1, 2016	
Investment property	Building	183.83	Shasun Chemicals and Drugs Ltd.	No	Friday, April 1, 2016	

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

48. Additional Regulatory Information (Contd.)

48.2. Operating Ratios

₹ In Million

Ratios	Numerator	Denominator	31-Mar-24	31-Mar-23	% of variance
Current ratio (in times)	Total current assets	Total current liabilities - Current Maturities of long term borrowings	1.30	1.24	5%
Debt-equity ratio (in times)	Debt = Non current borrowings + Current borrowings	Total equity = Shareholder's Equity	0.45	0.39	15%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Depreciation and amortisation + Finance cost	Debt service = Interest and lease payments + Principal repayments	1.26	1.22	3%
Return on equity ratio (in %)1	Profit for the year	Average total equity	2%	1%	252%
Inventory turnover ratio	Cost of Goods Sold	Average inventory	2.30	2.12	9%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	1.53	1.42	8%
Trade payables turnover ratio (in times)	Purchases + Other expenses	Average trade payable	2.69	2.29	17%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities) (excluding current maturities of long term borrowing)	3.82	4.53	-16%
Net profit ratio (in %)2	Profit for the year	Total income	3%	1%	201%
Return on Capital employed (in %)3	Profit before tax and finance costs	Capital employed = Net worth + Total Debt - Deferred tax assets	5%	2%	154%
Return on investment (in %)4	Realised and unrealised gain	Average investment during the year	0%	0%	0%

1. Increase in profits during the year leading to decrease in the ratio
2. Increase in profits during the year leading to increase in the ratio
3. Increase in profits before tax during the year leading to increase in the ratio
4. In the current year, the Company did not invest in any mutual funds.

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

49. 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 following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2024:

₹ In Million

S. No.	Name of the struck off company	Nature of transaction	Balance outstanding as at current period	Relationship with the struck off company	Balance outstanding as at previous period	Relationship with the struck off company
1	Arvind Securities Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
2	B.R. Agencies Pvt Ltd	Shares held by struck off company	-	Shareholder	-	Shareholder
3	Canny Securities Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
4	Fairtrade Securities Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
5	Pramika Consulting Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
6	Salasar Securities Pvt. Ltd.	Shares held by struck off company	-	Shareholder	-	Shareholder
7	Shyam Computers Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
8	Trichem Holdings Limited	Shares held by struck off company	0.03	Shareholder	0.02	Shareholder
9	Vidhan Marketing Private Limited	Shares held by struck off company	-	Shareholder	-	Shareholder
10	Advanced Micro Devices Pvt Ltd	Payables	0.76	Third Party	0.69	Third Party
11	Lanxess India Private Limited	Payables	0.32	Third Party	-	Third Party
12	Navitas Life Sciences Private Limited	Payables	3.56	Third Party	-	Third Party

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

49. Other Statutory Information (Contd.)

(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 of satisfaction with respect to one of the borrower of ₹ 600 million, as the Company is awaiting for no due certificate from the lender)

Disclosure of charge registered beyond statutory period:

S. No.	Description	Location of Registrar	No. of days delay	Reason for delay
1	Relates to creation of charge against term loan	ROC Mumbai	6	Delay in filing

(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.

(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.

50. During the year ended March 31, 2024, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts (refer note 10).

Notes forming part of the standalone financial statements

for the year ended March 31, 2024

51. The Board of Directors of the Company on August 2, 2023 have approved the Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013, between Strides Pharma Science Limited and Strides Alathur Private Limited (formerly known as Vivimed Lifesciences Private Limited) with an appointed date of April 1, 2023. The Scheme of Amalgamation is filed with National Company Law Tribunal (NCLT) for approval.

52. During the current year, on September 25, 2023 the Board of directors of the Company approved the Scheme of Arrangement between Strides Pharma Science Limited, OneSource Specialty Pharma Limited (formerly Stelis Biopharma Limited (Stelis)) and Steriscience Specialities Private Limited with an appointed date of April 01, 2024. The Scheme is subject to approval from Stock exchanges, SEBI, NCLT, Shareholders, Creditors, and other regulatory authorities.

Upon the scheme becoming effective, the identified CDMO and Softgel business of Strides would be demerged from the books of Strides Pharma Science Ltd and will get merged with existing OneSource Specialty Pharma business. The consideration would be issued to the shareholders of Strides in the form of shares in OneSource Specialty Pharma Limited (formerly Stelis Biopharma Limited) with a consequential listing of OneSource Specialty Pharma in the Indian stock exchanges. The demerger would be accounted as per the guidance in Appendix A of Ind As10 (Distribution of Non-cash assets to the owners) once the Scheme is approved by the NCLT and all other conditions are met. Subsequent to the year ended, the Company has received No Objection Letter for filing the Scheme with NCLT. During the year ₹ 53.65 million of project cost was incurred for the above mentioned scheme.

53. The Board of Directors have proposed a final dividend of ₹ 2.5 per share which shall result in cash outflow of ₹ 230 millions (approx). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

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

Arun Kumar
Executive Chairperson and Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance & Group CFO
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 22, 2024

Manjula R.
Company Secretary
Membership Number: A30515
Ooty, May 22, 2024

Corporate information

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Maharashtra, India.
Tel.: +91 22 2789 2924/ 3199
Email: corpcomm@strides.com
Website: www.strides.com
CIN: L24230MH1990PLC057062

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Karnataka, India.
Tel.: +91 80 6784 0000/ 0290

R & D Centre
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Bannerghatta Road,
Opp. Kalyani Magnum Tech Park
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Statutory Auditors
BSR & Co. LLP,
Chartered Accountants,
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Karnataka, India.

Internal Auditors
Grant Thornton Bharat LLP
5th Floor, No. 65/2, Block A,
Bagmane Tridib,
Bagmane Tech Park,
C V Raman Nagar,
Bengaluru – 560 093,
Karnataka, India.

Registrar & Share 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,
Telangana, India.
Toll Free Number: 1- 800-309-4001
Email id: - einward.ris@kfintech.com

Bankers and Financial Institutions
Aditya Birla Finance Ltd
Axis Bank Limited
Bank of Baroda
ICICI Bank Ltd
IDFC First Bank Limited
IndusInd Bank Limited
Karnataka Bank Ltd
RBL Bank Ltd
Union Bank of India
Yes Bank Limited

Global Offices

Singapore
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1 Gateway Drive, #06-06 Westgate
Tower, Singapore – 608531

USA
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East Brunswick, NJ 08816

United Kingdom
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WD18 9SS, UK

Italy
Beltapharm SpA
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Stelvio, 66, Italy

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South Africa
Trinity Pharma
Proprietary Limited
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Santon 2031

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Vaughan, Ontario, L4K0C3, Canada

Switzerland
Strides Pharma International
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