

**INDEPENDENT AUDITOR'S REPORT**

To  
The members of Sai Life Sciences GMBH

**Opinion**

We have audited the accompanying Special Purpose Financial Statements of SAI LIFE SCIENCES GMBH, ('the Company'), which comprise the Balance sheet as at 31<sup>st</sup> March 2022, Statement of Profit and Loss, Statement of Cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements are in EURO and are converted into Indian INR based on the conversion rate applicable. Sai Life Sciences GMBH., Germany is a subsidiary of Sai Life Sciences Ltd., India

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and of its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the Companies Act, 2013.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under applicable sections of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

**Emphasis of Matter**

We draw attention to Note 1(a) to the Special Purpose financial statements which indicates that the Company had prepared Special purpose financial statements for the financial year 2021-22 solely for the purpose of inclusion in the restated consolidated financial information of Sai Life Sciences Limited, Parent Company, as required under the Securities and Exchange Board of



India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in relation to the proposed initial public offering of the Parent Company.

Our opinion is not modified in respect of this matter.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Companies Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with SA 800 (special consideration and purpose) and other applicable Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend upon the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.



In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Ind AS financial statements in order to design audit procedures that appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ICAI UDIN: 24206635BKFETZ5447

For SIVA KRISHNA & NARAYANAN  
CHARTERED ACCOUNTANTS  
Reg No: 03883S



Partner:  
R.V.N.Sastry  
M.No 206635

Place: Hyderabad  
Date: 10-07-2024

**Sai Life Sciences GMBH****Special purpose standalone Balance Sheet as at 31 March 2022**

(All amounts in millions, except share data and where otherwise stated)

	Note	As at	
		31 March 2022	31 March 2022
		Euro	INR
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	3	0.02	1.36
<b>Total current assets</b>		<b>0.02</b>	<b>1.36</b>
<b>Total assets</b>		<b>0.02</b>	<b>1.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	4	0.03	2.11
(b) Other equity	5	(0.01)	(1.29)
<b>Total equity</b>		<b>0.02</b>	<b>0.82</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	6		
(A) Total outstanding dues of creditors other than micro enterprises and small enterprises		-*	0.54
<b>Total current liabilities</b>		<b>-</b>	<b>0.54</b>
<b>Total equity and liabilities</b>		<b>0.02</b>	<b>1.36</b>

\* Nil due to rounding off

See accompanying notes forming part of these Special purpose standalone financial statements

**In terms of our report attached****For SIVA KRISHNA & NARAYAN**

Chartered Accountants

Firm's Registration Number: 003883S

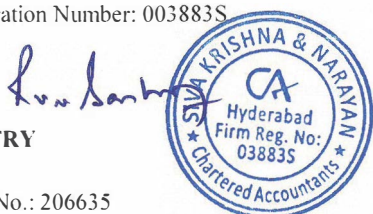
**R.V.N. SASTRY**

Partner

Membership No.: 206635

Place: Hyderabad

Date: 10-07-2024

For and on behalf of the Board of Directors of  
**Sai Life Sciences GMBH**
**Krishnam Raju**

Director

Place: Manchester

Date: 10-07-2024

**Sai Life Sciences GMBH****Special purpose Statement of Profit and Loss for the year ended 31 March 2022**

(All amounts in millions. except share data and where otherwise stated)

		For the year ended	
	Note	31 March 2022	31 March 2022
		Euro	INR
<b>Income</b>			
I	Revenue from operations	-	-
	<b>Total income</b>	-	-
<b>Expenses</b>			
II	Employee benefits expense	7	0.01
	Other expenses	8	-*
	<b>Total expenses (II)</b>	<b>0.01</b>	<b>1.28</b>
III	<b>Profit before tax (I - II)</b>	<b>(0.01)</b>	<b>(1.28)</b>
IV	<b>Tax expense</b>	-	-
V	<b>Profit for the year (III - IV)</b>	<b>(0.01)</b>	<b>(1.28)</b>
VI	<b>Earnings per equity share (in absolute ₹ terms)</b>	9	
	Basic	(1.26)	(161.11)

\* Nil due to rounding off

See accompanying notes forming part of these Special purpose standalone financial statements

**In terms of our report attached****For SIVA KRISHNA & NARAYAN**

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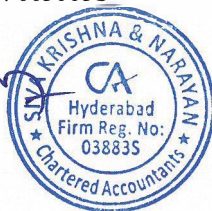
**R.V.N. SASTRY**

Partner

Membership No.: 206635

Place: Hyderabad

Date: 10-07-2024

For and on behalf of the Board of Directors of  
**Sai Life Sciences GMBH****Krishnam Raju**

Director

Place: Manchester

Date: 10-07-2024

**Sai Life Sciences GMBH**

**Special purpose Statement of Cash Flows for the year ended 31 March 2022**

(All amounts in millions, except share data and where otherwise stated)

	For the year ended	
	Euro	INR
	31 March 2022	31 March 2022
<b>Cash flow from operating activities</b>		
Profit before tax	(0.01)	(1.28)
<b>Adjustments for :</b>		
<b>Operating cash flows before working capital changes</b>	(0.01)	(1.28)
Increase in other financial liabilities & provisions	—*	0.54
<b>Net cash generated from / (used in) operating activities</b>	(0.01)	(0.74)
Income-taxes paid, net	—	—
<b>Net cash generated from operating activities (A)</b>	(0.01)	(0.74)
<b>Cash flows from investing activities (B)</b>	—	—
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	0.03	2.11
<b>Net cash generated from financing activities (C)</b>	0.03	2.11
<b>Net decrease in cash and cash equivalents during the year (A + B + C)</b>	0.02	1.37
Effect of exchange differences on cash and cash equivalents held in foreign currency	—	(0.01)
Cash and cash equivalents at the beginning of the year	—	—
<b>Cash and cash equivalents at the end of the year (Note 1 below)</b>	0.02	1.36
<b>Note 1:</b>		
<b>Cash and cash equivalents includes</b>		
Balances with banks		
-in current accounts	0.02	1.36
	0.02	1.36

\* Nil due to rounding off

See accompanying notes forming part of these Special purpose standalone financial statements

In terms of our report attached

**For SIVA KRISHNA & NARAYAN**

Chartered Accountants

Firm's Registration Number: 003883S

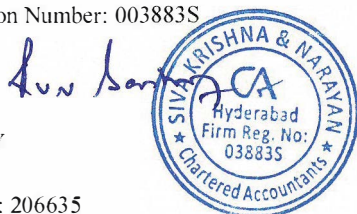
**R.V.N. SASTRY**

Partner

Membership No.: 206635

Place: Hyderabad

Date: 10-07-2024



For and on behalf of the Board of Directors of  
**Sai Life Sciences GMBH**

**Krishnam Raju**

Director

Place: Manchester

Date: 10-07-2024



**Sai Life Sciences GMBH****Special purpose Statement of Changes in Equity for the year ended 31 March 2022**

(All amounts in millions, except share data and where otherwise stated)

**A Share Capital**

	Equity		
	Number of shares	Amount (Euro)	Amount (INR)
As at 31 March 2021	-	-	-
Changes in share capital during the year	25,000	0.03	2.11
As at 31 March 2022	25,000	0.03	2.11

**B Other Equity**

	Reserves and Surplus (Euro)		Other comprehensive	Total (Euro)	Reserves and Surplus (INR)		Other comprehensive income (INR)	Total (INR)
	Securities premium reserve	Retained earnings			Securities premium reserve	Retained earnings		
Balance as at 31 March 2021	-	(0.01)	-	(0.01)	-	(1.28)	-	(1.28)
Profit for the year	-	(0.01)	-	(0.01)	-	(1.28)	-	(1.28)
Foreign currency translation adjustments	-	-	-	-	-	-	(0.01)	(0.01)
Balance as at 31 March 2022	-	(0.01)	-	(0.01)	-	(1.28)	(0.01)	(1.29)

See accompanying notes forming part of these Special purpose standalone financial statements

**In terms of our report attached**

For SIVA KRISHNA &amp; NARAYAN

Chartered Accountants

Firm's Registration Number: 003883S

**R.V.N. SASTRY**

Partner

Membership No.: 206635

Place: Hyderabad

Date: 10-07-2024



For and on behalf of the Board of Directors of

**Sai Life Sciences GMBH**
**Krishnam Raju**

Director

Place: Manchester

Date: 10-07-2024

**Sai Life Sciences GMBH**

**Notes to the Special purpose financial statements for the year ended 31 March 2022**

(All amounts in millions, except share data and where otherwise stated)

**1. Significant Accounting policies**

The following are significant accounting policies of Sai Life Sciences GMBH, wholly owned subsidiary company of Sai Life Sciences Limited, Plot No. DS-7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal-Malkajgiri District-500078, Telangana.

**a Basis of Preparation**

The Company has prepared special purpose Financial statements for the year ended 31 March 2022 as per following basis, which have been approved by the Board of Directors at their meeting held on 10 Jul 2024.

These Special Purpose Consolidated Financial Statements are prepared considering the accounting principles stated in IndAS, as adopted by the parent company. The Special Purpose Financial Statements have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in the offer documents in relation to the proposed IPO of the parent, which requires financial statements of all the periods included, to be presented under IndAS. As such, these Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of inclusion in the Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under Section 129 of the Act.

These Special purpose Financial statements have been prepared on the basis of going concern, under the historical cost convention.

**b Use of estimates**

Preparation of the Ind AS financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**c Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue for the services rendered is recognised as services are performed on "cost plus mark up" in accordance with the terms of the arrangement with the respective parties for consulting income.

Revenue includes revenue for conducting research activities for client.

**d Foreign Currency Transaction**

Transactions in foreign currency are recorded on the basis of monthly average rates prevailing during the month in which the transaction is made (which approximate the exchange rates prevailing on the date of transaction). Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognised in the balance sheet.

**2. Notes forming part of Ind AS Financial Statements**

- a The Company is a 100 % wholly owned Subsidiary company of M/s Sai Life Sciences Limited, India
- b There is no Cash in Hand Balance in the Company as on the Balance Sheet date.
- c The Company holds Euros 0.02/- with Bank.
- d Balance sheet items are recorded at the prevailing rate of INR 89.44 per Euro and for Statement of Profit & Loss items INR 83.69 per Euro is adopted.
- e The Ind AS Financial Statements are verified and signed by us for the purpose of Consolidation of Ind AS Financial Statements of the Parent Company as required by the Board of Directors of the Parent Company M/s Sai Life Sciences Ltd, India



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**Sai Life Sciences GMBH**
**Notes to the financial statements for the year ended 31 March 2022 (continued)**

(All amounts in millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2022
	Euro	INR
3. Cash and cash equivalents and other bank balances		
Balances with banks		
-in current accounts	0.02	1.36
	<b>0.02</b>	<b>1.36</b>

**4. Equity share capital**
**i. Authorised share capital**

Equity shares of ₹1 each

Number	Amount (Euro)	Amount (INR)
25,000	0.03	2.11
<b>25,000</b>	<b>0.03</b>	<b>2.11</b>

**ii. Issued, subscribed and fully paid up**

Equity shares of ₹1 each

Number	Amount (Euro)	Amount (INR)
25,000	0.03	2.11
<b>25,000</b>	<b>0.03</b>	<b>2.11</b>

**iii. Reconciliation of number of equity shares outstanding at the beginning and end of the year**
**Equity shares**

Balance at the beginning of the year

Add: Shares issued during the year

**Balance at the end of the year**

Number	Amount (Euro)	Amount (INR)
-	-	-
25,000	0.03	2.11
<b>25,000</b>	<b>0.03</b>	<b>2.11</b>

**iv. Rights and restrictions attached to equity shares:**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**v. Details of shareholders holding more than 5% equity shares in the Company**

Name of the equity shareholders	Number	% holding
Sai Life Sciences Limited	25,000	100%

**5. Other equity**

Retained earnings (Note a)

Foreign currency translation reserve (Note b)

Euro	INR
(0.01)	(1.28)
-	(0.01)
<b>(0.01)</b>	<b>(1.29)</b>

**Nature and purpose of reserves**
**(a) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**(b) Foreign currency translation reserve**

Foreign currency translation reserve represents the exchange differences accumulated when the financial statements of foreign operations are converted from their functional currency to presentation currency of the Company.

**6. Trade Payable**

(A) Total outstanding dues of micro enterprises and small enterprises (Refer note 44)

(A) Total outstanding dues of creditors other than micro enterprises and small

-	-
-*	0.54
<b>-</b>	<b>0.54</b>

**Trade payables ageing for the year ended 31 March 2022**
**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	
(i). MSME	-	-	-	-	-	-
(ii) Others	-	0.54	-	-	-	0.54
<b>Total</b>	<b>-</b>	<b>0.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.54</b>



**Sai Life Sciences GMBH****Notes to the financial statements for the year ended 31 March 2022 (continued)**

(All amounts in millions, except share data and where otherwise stated)

	Year ended 31 March 2022 Euro	Year ended 31 March 2022 INR
<b>7. Employee benefits expense</b>		
Salaries, wages and bonus	0.01	1.24
	<b>0.01</b>	<b>1.24</b>
<b>8. Other expenses</b>		
Travelling and conveyance	-*	-*
Communication expenses	-*	0.03
Bank charges	-*	0.01
	<b>-</b>	<b>0.04</b>
* Nil due to rounding off		
<b>9. Earnings per equity share [EPES]</b>		
Profit attributable to equity shareholders	(0.01)	(1.28)
Weighted average number of equity shares adjusted for the effect of dilution	7,945.00	7,945.00
<b>Earnings per equity share (in absolute ₹ terms) :</b>		
Basic	(1.26)	(161.11)
Nominal Value per share equity share	1 Euro	84.26 INR

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**Sai Life Sciences GMBH**

**Notes to the financial statements for the year ended 31 March 2022 (continued)**

(All amounts in millions, except share data and where otherwise stated)

**10. Related party disclosures**

**(a) Names of the related parties and nature of relationship**

Names of related parties	Nature of relationship
Sai Life Sciences Limited (SLSL)	Parent Company
Sai Life Sciences GMBH, Germany	Fellow Subsidiary Company
Sai Life Pharma Private Limited	Fellow Subsidiary Company
Sai Life Drugform Private Limited	Fellow Subsidiary Company. Struck off effective dt 26.04/2023
Sai Quest Syn Private Limited	Entities in which KMP have control or have significant influence
Dr. K Ranga Raju	Key management personnel ("KMP")
Krishnam Raju	
Jayant Bhalchandra Manmadkar (resigned as Chief Financial Officer on 1 July 2021)	
Sivaramakrishnan Chittor (appointed as Chief Financial Officer w.e.f. 1 July 2021)	
Runa Karan	

**(b) Transactions with related parties**

	Year ended 31 March 2022 Euro	Year ended 31 March 2022 INR
<b>Sai Life Sciences Limited (SLSL)</b>		
<b>Balance at the end of year</b>		
Investment in equity share capital	0.03	2.11

**11 Approval of financial statements**

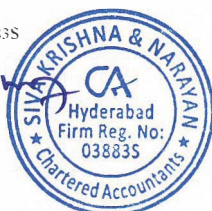
The financial statements were approved by the Board of Directors on 10-07-2024

**In terms of our report attached**

**For SIVA KRISHNA & NARAYAN**  
Chartered Accountants  
Firm's Registration Number: 003883S

**R.V.N. SASTRY**  
Partner  
Membership No.: 206635

Place: Hyderabad  
Date: 10-07-2024



For and on behalf of the Board of Directors of  
**Sai Life Sciences GMBH**

*Krishnam Raju*  
**Krishnam Raju**  
Director

Place: Manchester  
Date: 10-07-2024