

AUDITOR'S REPORT

TO
**THE MEMBERS OF
SAI LIFE SCIENCES GMBH.,**

Report on the Financial Statements

We have audited the accompanying financial statements of SAI LIFE SCIENCES GMBH, ('the Company'), which comprise the Balance Sheet as at 31st March 2024, the statement of Profit and Loss and the cash flow statement 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

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 the 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2024
- b) In the case of the statement of Profit and Loss, of the profit for the year ended on 31st March 2024

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) 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:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For SIVA KRISHNA & NARAYAN
CHARTERED ACCOUNTANTS
Reg No: 038835**

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



ICAI UDIN :24206635BKFETB9015

Place:Hyderabad
Date:21-05-2024

Sai Life Sciences GMBH

Standalone Balance Sheet as at 31 March 2024

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

	Note	As at		As at	
		31 March 2024	31 March 2024	31 March 2023	31 March 2023
		Euro	INR	Euro	INR
ASSETS					
Current assets					
(a) Financial assets					
(i) Cash and cash equivalents	4	0.23	20.74	0.03	3.12
(b) Other current assets	3	-	-	-*	0.27
Total current assets		0.23	20.74	0.03	3.39
Total assets		0.23	20.74	0.03	3.39
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	5	0.03	2.11	0.03	2.11
(b) Other equity	6	(0.18)	(16.37)	(0.22)	(19.67)
Total equity		(0.15)	(14.26)	(0.19)	(17.56)
Liabilities					
Current liabilities					
(a) Financial liabilities					
(i) Trade payables	7				
(A) Total outstanding dues of creditors other than micro enterprises and small enterprises		0.05	5.76	0.21	20.16
(b) Other current liabilities	8	0.33	29.24	0.01	0.79
Total current liabilities		0.38	35.00	0.22	20.95
Total equity and liabilities		0.23	20.74	0.03	3.39

* Nil due to rounding off

See accompanying notes forming part of these 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: 21-05-2024



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

Krishnam Raju

Krishnam Raju
Director

Place: Hyderabad

Date: 21-05-2024

Sai Life Sciences GMBH

Standalone Statement of Profit and Loss for the year ended 31 March 2024

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

	Note	For the year ended				
		31 March 2024		31 March 2023		
		Euro	INR	Euro	INR	
Income						
I	Revenue from operations	9	0.43	38.34	0.37	31.30
II	Other income	10	0.02	2.17	-	-
III	Total income (I + II)		0.45	40.51	0.37	31.30
Expenses						
IV	Employee benefits expense	11	0.32	28.51	0.49	40.70
	Other expenses	12	0.09	8.62	0.09	7.83
	Total expenses (IV)		0.41	37.13	0.58	48.53
V	Profit before tax (III - IV)		0.04	3.38	(0.21)	(17.23)
VI	Tax expense	13	-	-	-	-
VII	Profit for the year (V - VI)		0.04	3.38	(0.21)	(17.23)
VIII	Other comprehensive income		-	-	-	-
	Total comprehensive income for the year (VII + VIII)		0.04	3.38	(0.21)	(17.23)
IX	Earnings per equity share (in absolute ₹ terms)	14				
	Basic		1.60	135.20	(8.40)	(689.20)

See accompanying notes forming part of these 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: 21-05-2024



For and on behalf of the Board of Directors of

Sai Life Sciences GMBH

Krishnam Raju

Krishnam Raju
Director

Place: Hyderabad

Date: 21-05-2024

Sai Life Sciences GMBH
Standalone Statement of Cash Flows for the year ended 31 March 2024
(All amounts in Millions, except share data and where otherwise stated)

	For the year ended			
	Euro 31 March 2024	INR 31 March 2024	Euro 31 March 2023	INR 31 March 2023
Cash flow from operating activities				
Profit before tax	0.04	3.38	(0.21)	(17.23)
Adjustments for :				
Operating cash flows before working capital changes	0.04	3.38	(0.21)	(17.23)
(Increase)/decrease in other non-current assets	-*	0.27	-*	(0.27)
Increase in trade payables	0.16	14.05	0.22	20.41
Net cash generated from / (used in) operating activities	0.20	17.70	0.01	2.91
Income-taxes paid, net	-	-	-	-
Net cash generated from operating activities (A)	0.20	17.70	0.01	2.91
Cash flows from investing activities				
Net cash used in investing activities (B)	-	-	-	-
Cash flows from financing activities				
Net cash generated from/(used in) financing activities (C)	-	-	-	-
Net decrease in cash and cash equivalents during the year (A + B + C)	0.20	17.70	0.01	2.91
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	(0.08)	-	(1.15)
Cash and cash equivalents at the beginning of the year	0.03	3.12	0.02	1.36
Cash and cash equivalents at the end of the year (Note 1 below)	0.23	20.74	0.03	3.12
Note 1:				
Cash and cash equivalents includes				
Balances with banks				
-in current accounts	0.23	20.74	0.03	3.12
	0.23	20.74	0.03	3.12

* Nil due to rounding off

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: 21-05-2024



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

Krishnam Raju
Krishnam Raju
Director

Place: Hyderabad
Date: 21-05-2024

Sai Life Sciences GMBH

Standalone Statement of Changes in Equity for the year ended 31 March 2024

(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 2022	25,000	25,000	2.00
Changes in share capital during the year	-	-	-
As at 31 March 2023	25,000	25,000	2.11
Changes in share capital during the year	-	-	-
As at 31 March 2024	25,000	25,000	2.11

B Other Equity

	Reserves and Surplus (Euro)		Other comprehensive income (Euro)	Total (Euro)	Reserves and Surplus (INR)		Other comprehensive income (INR)	Total (INR)
	Securities premium reserve	Retained earnings	Foreign currency translation reserve		Securities premium reserve	Retained earnings	Foreign currency translation reserve	
Balance as at 31 March 2022	-	(0.01)	-	(0.01)	-	(1.28)	(0.01)	(1.29)
Profit for the year	-	(0.21)	-	(0.21)	-	(17.23)	-	(17.23)
Foreign currency translation adjustments	-	-	-	-	-	-	(1.15)	(1.15)
Balance as at 31 March 2023	-	(0.22)	-	(0.22)	-	(18.51)	(1.16)	(19.67)
Profit for the year	-	0.04	-	0.04	-	3.38	-	3.38
Other comprehensive income	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	-	-	-	-	-	-	(0.08)	(0.08)
Balance as at 31 March 2024	-	(0.18)	-	(0.18)	-	(15.13)	(1.24)	(16.37)

See accompanying notes forming part of these 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: 21-05-2024



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

Krishnam Raju

Krishnam Raju

Director

Place: Hyderabad

Date: 21-05-2024

Sai Life Sciences GMBH

Notes to the financial statements for the year ended 31 March 2024

(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 Ind AS 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 0.23/- with Bank.

d For Balance Sheet items are recorded at the prevailing rate of INR 89.8775 per Euro and for Statement of Profit & Loss items INR 89.8097 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 2024 (continued)
(All amounts in Millions, except share data and where otherwise stated)

	As at 31 March 2024 Euro	As at 31 March 2024 INR	As at 31 March 2023 Euro	As at 31 March 2023 INR
3. Other current assets				
Current				
Prepaid expenses	-	-	-*	0.27
	-	-	-*	0.27
4. Cash and cash equivalents				
Balances with banks				
-in current accounts	0.23	20.74	0.03	3.12
	0.23	20.74	0.03	3.12

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount (Euro)	Number	Amount (Euro)
5. Equity share capital				
i. Authorised share capital				
Equity shares of €1 each	25,000	0.03	25,000	0.03
	25,000	0.03	25,000	0.03
ii. Issued, subscribed and fully paid up				
Equity shares of €1 each	25,000	0.03	25,000	0.03
	25,000	0.03	25,000	0.03
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	25,000	0.03	25,000	0.03
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	25,000	0.03	25,000	0.03

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	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Sai Life Sciences Limited	25,000	100.00%	25,000	100.00%

6. Other equity

	As at 31 March 2024 Euro	As at 31 March 2024 INR	As at 31 March 2023 Euro	As at 31 March 2023 INR
Retained earnings (Note a)	(0.18)	(15.13)	(0.22)	(18.51)
Foreign currency translation reserve (Note b)	-	(1.24)	-	(1.16)
	(0.18)	(16.37)	(0.22)	(19.67)

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.

7 Trade Payable

(A) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.05	5.76	0.21	20.16
	0.05	5.76	0.21	20.16

**Ageing of Trade payables in INR
For the year ended 31 March 2024**

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	-	-	5.76	-	-	-	
Total	-	-	5.76	-	-	5.76	

For the year ended 31 March 2023

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	-	-	20.16	-	-	-	
Total	-	-	20.16	-	-	20.16	

8. Other liabilities

Current				
Payable to statutory authorities	0.02	1.55	-	-
Other advances *	0.31	27.69	0.01	0.79
	0.33	29.24	0.01	0.79

* Includes advances from related parties (Refer Note 13)

* Nil due to rounding off



Signature

Sai Life Sciences GMBH

Notes to the financial statements for the year ended 31 March 2024 (continued)

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

	As at 31 March 2024 Euro	As at 31 March 2024 INR	As at 31 March 2023 Euro	As at 31 March 2023 INR
9. Revenue from operations				
Sale of goods and services				
Revenue from contract research and manufacturing activities*	0.43	38.34	0.37	31.30
	0.43	38.34	0.37	31.30
*Disaggregation of revenue from contract research and manufacturing activities into over time and at a point in time				
Timing of recognition				
At a point in time	0.43	38.34	0.37	31.30
Over time	-	-	-	-
Total	0.43	38.34	0.37	31.30
10. Other income				
Interest income on financial assets at amortised cost	-	-	-	-
Foreign exchange gain (net)	-	-	-	-
Other income	0.02	2.17	-	-
	0.02	2.17	-	-
11. Employee benefits expense				
Salaries, wages and bonus	0.32	28.51	0.49	40.70
	0.32	28.51	0.49	40.70
12. Other expenses				
Travelling and conveyance	0.02	1.84	0.02	1.48
Rates and Taxes	-*	0.26	-	-
Communication expenses	-	-	-*	0.01
Legal and professional fees	0.06	5.39	0.06	5.21
Bank charges	0.01	0.88	0.01	1.10
Membership and subscription	-*	0.03	-*	0.03
Miscellaneous expenses	-*	0.22	-	-
	0.09	8.62	0.09	7.83
* Nil due to rounding off				
13. Income tax				
Tax expense comprises of:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Income tax expense reported in the statement of profit or loss	-	-	-	-
14. Earnings per equity share [EPES]				
Profit attributable to equity shareholders	0.04	3.38	(0.21)	(17.23)
Weighted average number of equity shares adjusted for the effect of dilution	25,000	25,000	25,000	25,000
Earnings per equity share (in absolute ₹ terms) :				
Basic	1.60	135.20	(8.40)	(689.20)
Nominal Value per share equity share	1 Euro	84.26 INR	1 Euro	84.26 INR

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Sai Life Sciences GMBH

Notes to the financial statements for the year ended 31 March 2024 (continued)

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

15. 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 Quest Syn Private Limited	Entities in which KMP have control
Dr. K Ranga Raju Krishnam Raju Sivaramakrishnan Chittor Runa Karan	Key management personnel ("KMP")

(b) **Transactions with related parties**

	As at 31 March 2024 Euro	As at 31 March 2024 INR	As at 31 March 2023 Euro	As at 31 March 2023 INR
Sai Life Sciences Limited (SLSL)				
Transactions during the year				
Consultancy services Provided	0.43	38.34	0.37	31.30
Balance at the end of the year				
Trade payables	-	-	-	-
Other advances	0.31	27.69	0.01	0.79
Investment in equity share capital	0.03	2.11	0.03	2.11

16 Approval of financial statements

The financial statements were approved by the Board of Directors on 21-05-2024.

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: 21-05-2024



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

Krishnam Raju
Director

Place: Hyderabad
Date: 21-05-2024