

AUDITOR'S REPORT

TO
THE MEMBERS OF SAI LIFE SCIENCES INC.

Report on the Financial Statements

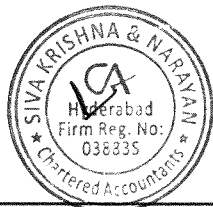
We have audited the accompanying financial statements of SAI LIFE SCIENCES INC, ('the Company'), which comprise the Balance Sheet as at 31st March 2024, the statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements are in US\$ and are converted into Indian INR based on the conversion rate applicable. Sai Life Sciences Inc., USA 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

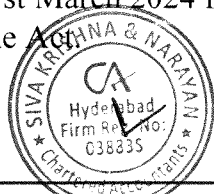
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in 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: 03883S

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

R.V.N.Sastry



ICAI UDIN :24206635BKFETA4186

Place:Hyderabad

Date:21-05-2024

Sai Life Sciences Inc.,
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 |
| | | USD | INR | USD | INR |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| (a) Property, plant and equipment | 3 | 4.49 | 374.31 | 4.74 | 389.28 |
| (b) Right-of-use assets | 4 | 6.82 | 571.66 | 7.74 | 636.93 |
| (c) Intangible assets | 5 | 0.09 | 7.16 | 0.13 | 10.51 |
| (d) Financial assets | | | | | |
| (e) Other financial assets | 6 | 0.02 | 1.53 | - | - |
| (f) Deferred tax Asset (net) | 7 | 1.57 | 131.30 | 0.98 | 80.62 |
| (g) Non-current tax assets (net) | 8 | 0.02 | 1.39 | - | - |
| (h) Other non-current assets | 9 | 0.01 | 0.95 | - | - |
| Total non-current assets | | 13.02 | 1,088.30 | 13.59 | 1,117.34 |
| Current assets | | | | | |
| (a) Inventories | 10 | 0.16 | 13.71 | 0.17 | 14.10 |
| (b) Financial assets | | | | | |
| (i) Trade receivables | 11 | 1.16 | 96.90 | 1.64 | 134.94 |
| (ii) Cash and cash equivalents | 12 | 0.56 | 47.04 | 0.73 | 59.77 |
| (c) Other current assets | 8 | 0.34 | 27.14 | 0.23 | 19.14 |
| Total current assets | | 2.22 | 184.79 | 2.77 | 227.95 |
| Total assets | | 15.24 | 1,273.09 | 16.36 | 1,345.29 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| (a) Equity share capital | 13 | 0.18 | 13.55 | 0.18 | 13.55 |
| (b) Other equity | 14 | 3.61 | 303.26 | 5.43 | 448.75 |
| Total equity | | 3.79 | 316.81 | 5.61 | 462.30 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Lease liabilities | 15 | 6.56 | 546.86 | 7.28 | 598.34 |
| Total non-current liabilities | | 6.56 | 546.86 | 7.28 | 598.34 |
| Current liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Lease liabilities | 15 | 0.73 | 60.79 | 0.55 | 44.97 |
| (ii) Trade payables | 16 | 3.43 | 288.09 | 1.98 | 162.21 |
| (b) Other current liabilities | 17 | 0.73 | 60.54 | 0.92 | 75.99 |
| (c) Current tax liabilities (net) | 18 | - | - | 0.02 | 1.48 |
| Total current liabilities | | 4.89 | 409.42 | 3.47 | 284.65 |
| Total equity and liabilities | | 15.24 | 1,273.09 | 16.36 | 1,345.29 |

See accompanying notes forming part of these standalone financial statements

In terms of our report attached

For SIVA KRISHNA & NARAYAN

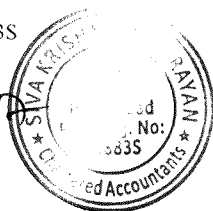
Chartered Accountants

Firm's Registration Number: 003883S

R.V.N. SASTRY

Partner

Membership No.: 206635



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

Krishnam Raju

Director

Place: Hyderabad

Date: 21-05-2024

Place: Hyderabad

Date: 21-05-2024

Sai Life Sciences Inc.,

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 | |
| | | USD | INR | USD | INR |
| Income | | | | | |
| Revenue from operations | 19 | 11.91 | 986.48 | 13.03 | 1,046.84 |
| Total income | | 11.91 | 986.48 | 13.03 | 1,046.84 |
| Expenses | | | | | |
| Cost of materials consumed | 20 | 3.11 | 257.17 | 3.66 | 294.03 |
| Employee benefits expense | 21 | 7.23 | 598.21 | 7.40 | 594.59 |
| Finance costs | 22 | 0.76 | 62.60 | 0.81 | 64.95 |
| Depreciation and amortisation expense | 23 | 1.47 | 122.92 | 1.46 | 117.48 |
| Other expenses | 24 | 1.78 | 147.47 | 1.54 | 122.41 |
| Total expenses | | 14.35 | 1,188.36 | 14.87 | 1,193.46 |
| Profit before tax | | (2.44) | (201.88) | (1.84) | (146.62) |
| Tax expense | 25 | | | | |
| (i) Current tax | | (0.03) | (2.17) | - | 0.19 |
| (ii) Deferred tax | | (0.59) | (49.11) | (0.26) | (20.84) |
| Total tax expense | | (0.62) | (51.28) | (0.26) | (20.65) |
| Profit for the year (A) | | (1.82) | (150.60) | (1.58) | (125.97) |
| Other comprehensive income (B) | | - | - | - | - |
| Total comprehensive income for the year (A+B) | | (1.82) | (150.60) | (1.58) | (125.97) |
| Earnings per equity share (in absolute \$ and ₹ terms) | | | | | |
| Basic | 26 | (9.85) | (815.10) | (8.66) | (690.53) |

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

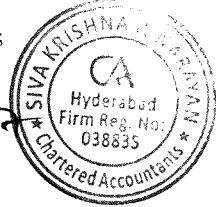
R.V.N. SASTRY

Partner

Membership No.: 206635

Place: Hyderabad

Date: 21-05-2024



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

Krishnam Raju
Director

Place: Hyderabad

Date: 21-05-2024

Sai Life Sciences Inc.,

Cash flows Statement for the year ended 31 March 2024

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

| | For the year ended | | | |
|---|--------------------|-----------------|---------------|----------------|
| | 31 March 2024 | 31 March 2024 | 31 March 2023 | 31 March 2023 |
| | USD | INR | USD | INR |
| Cash flow from operating activities | | | | |
| Profit before tax | (2.44) | (201.88) | (1.84) | (146.62) |
| Adjustments for : | | | | |
| Depreciation and amortisation expense | 1.47 | 122.92 | 1.46 | 117.48 |
| Finance costs | 0.76 | 62.60 | 0.81 | 64.95 |
| Operating cash flows before working capital changes | (0.21) | (16.36) | 0.43 | 35.81 |
| (Increase) decrease in inventories | 0.01 | 0.39 | (0.05) | (4.50) |
| (Increase) decrease in trade receivables | 0.48 | 38.04 | 0.07 | (5.10) |
| (Increase) decrease in other current assets | (0.14) | (10.48) | 0.09 | 5.49 |
| Increase in trade payables | 1.51 | 126.24 | 0.44 | 44.30 |
| (Decrease) in other non-current and current liabilities | (0.19) | (15.45) | (1.33) | (90.57) |
| Net cash generated from / (used in) operating activities (A) | 1.46 | 122.38 | (0.35) | (14.57) |
| Income-taxes paid, net | (0.03) | (2.26) | 0.02 | 1.67 |
| Net cash generated from operating activities (A) | 1.43 | 120.12 | (0.33) | (12.90) |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment and other intangible assets (including capital work in progress, capital advances and capital creditors) | (0.18) | (15.65) | (0.25) | (16.84) |
| Net cash used in investing activities (B) | (0.18) | (15.65) | (0.25) | (16.84) |
| Cash flows from financing activities | | | | |
| Proceeds from issue of equity shares | - | - | 2.00 | 148.50 |
| Lease payments | (0.66) | (54.60) | (0.75) | (60.15) |
| Lease finance Cost | (0.76) | (62.60) | (0.81) | (64.95) |
| Net cash generated from/(used in) financing activities (C) | (1.42) | (117.20) | 0.44 | 23.40 |
| Net decrease in cash and cash equivalents during the year (A + B + C) | (0.17) | (12.73) | (0.14) | (6.34) |
| 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 | 0.73 | 59.77 | 0.87 | 66.10 |
| Cash and cash equivalents at the end of the year (Note 1 below) | 0.56 | 47.04 | 0.73 | 59.77 |
| Note 1: | | | | |
| Cash and cash equivalents includes | | | | |
| Balances with banks | 0.56 | 47.04 | 0.73 | 59.77 |
| | 0.56 | 47.04 | 0.73 | 59.77 |

In terms of our report attached

For SIVA KRISHNA & NARAYAN

Chartered Accountants

Firm's Registration Number: 003883S

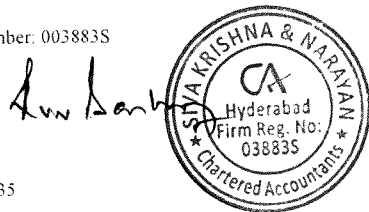
R.V.N. SASTRY

Partner

Membership No.: 206635

Place: Hyderabad

Date: 21-05-2024



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

Krishnam Raju
Director

Place: Hyderabad

Date: 21-05-2024

Sai Life Sciences Inc.,
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 (INR) |
| As at 31 March 2022 | 1,39,849 | 10.21 |
| Changes in share capital during the year | 44,913 | 3.34 |
| As at 31 March 2023 | 1,84,762 | 13.55 |
| Changes in share capital during the year | - | - |
| As at 31 March 2024 | 1,84,762 | 13.55 |

B Other Equity

| | USD | | | INR | | |
|--|----------------------------|-------------------|--------------------------------------|----------------------------|-------------------|---------------|
| | Reserves and Surplus (USD) | | Other comprehensive income (USD) | Reserves and Surplus (INR) | | Total (INR) |
| | Securities premium reserve | Retained earnings | Foreign currency translation reserve | Securities premium reserve | Retained earnings | Total (INR) |
| Balance as at 31 March 2022 | 6.87 | (1.81) | - | 508.06 | (118.34) | 410.41 |
| Profit for the year | - | (1.58) | - | - | (125.97) | (125.97) |
| Foreign currency translation adjustments | - | - | - | - | 19.15 | 19.15 |
| Shares allotted during the year | 1.95 | - | - | 145.16 | - | 145.16 |
| Balance as at 31 March 2023 | 8.82 | (3.39) | - | 653.22 | (244.31) | 448.75 |
| Profit for the year | - | (1.82) | - | - | (150.60) | (150.60) |
| Foreign currency translation adjustments | - | - | - | - | 5.11 | 5.11 |
| Balance as at 31 March 2024 | 8.82 | (5.21) | - | 653.22 | (394.91) | 303.26 |

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: 0038835

(Signature)

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 Inc

(Signature)

Krishnam Raju
 Director

Place: Hyderabad
 Date: 21-05-2024

Sai Life Sciences Inc.,

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 Inc., 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

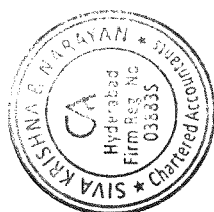
a The Company is a 100 % wholly owned Subsidiary company of M/s Sai Life Sciences Limited, India

b There is no Cash in Hand Balance in the Company as on the Balance Sheet date.

c The Company holds US \$0.21 with Citi Bank and \$ 0.35 with HSBC Bank.

d For Balance Sheet items are recorded at the prevailing rate of INR 83.41 per US \$ and for Statement of Profit & Loss items INR 82.80 per US \$ 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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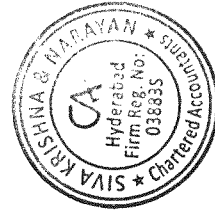
Sai Life Sciences Inc.,

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

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

3. Property, plant and equipment

| | USD | | | INR | | | | |
|-------------------------------------|---------------------|-------------------------|-------------|-------------|---------------------|-------------------------|--------------|---------------|
| | Plant and equipment | Furnitures and fixtures | Computers | Total | Plant and equipment | Furnitures and fixtures | Computers | Total |
| Cost or deemed cost | | | | | | | | |
| Balance as at 1 April 2022 | 4.90 | 0.26 | 0.18 | 5.34 | 369.79 | 19.92 | 12.91 | 402.62 |
| Additions(refer note i below) | 0.24 | 0.01 | (0.01) | 0.24 | 19.79 | 0.61 | (0.39) | 20.01 |
| Adjustments | - | - | - | - | 31.75 | 1.92 | 1.78 | 35.45 |
| Balance as at 31 March 2023 | 5.14 | 0.27 | 0.17 | 5.58 | 421.33 | 22.45 | 14.30 | 458.08 |
| Additions (refer note i & ii below) | 0.18 | - | - | 0.18 | 15.65 | - | - | 15.65 |
| Adjustments | - | - | - | - | 6.33 | 0.34 | 0.21 | 6.88 |
| Balance as at 31 March 2024 | 5.32 | 0.27 | 0.17 | 5.76 | 443.31 | 22.79 | 14.51 | 480.61 |
| Accumulated depreciation | | | | | | | | |
| Balance as at 1 April 2022 | 0.34 | 0.02 | 0.04 | 0.40 | 25.52 | 1.64 | 3.21 | 30.37 |
| Charge for the year | 0.34 | 0.03 | 0.07 | 0.44 | 27.67 | 2.27 | 5.49 | 35.43 |
| Adjustments | - | - | - | - | 3.09 | 0.11 | (0.20) | 3.00 |
| Balance as at 31 March 2023 | 0.68 | 0.05 | 0.11 | 0.84 | 56.28 | 4.02 | 8.50 | 68.80 |
| Charge for the year | 0.36 | 0.03 | 0.04 | 0.43 | 29.65 | 2.24 | 4.31 | 36.20 |
| Disposals/retirement | - | - | - | - | - | - | - | - |
| Adjustments | - | - | - | - | 1.06 | 0.08 | 0.16 | 1.30 |
| Balance as at 31 March 2024 | 1.04 | 0.08 | 0.15 | 1.27 | 86.99 | 6.34 | 12.97 | 106.30 |
| Net carrying amount | | | | | | | | |
| As at 31 March 2023 | 4.46 | 0.22 | 0.06 | 4.74 | 365.05 | 18.43 | 5.80 | 389.28 |
| As at 31 March 2024 | 4.28 | 0.19 | 0.02 | 4.49 | 356.32 | 16.45 | 1.54 | 374.31 |



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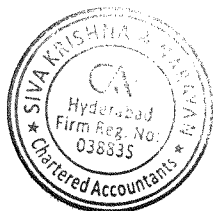
Sai Life Sciences Inc.,

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

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

4. Right-of-use assets

| | USD | | | INR | | |
|------------------------------------|--------------|---------------------|--------------|---------------|---------------------|---------------|
| | Buildings | Plant and equipment | Total | Buildings | Plant and equipment | Total |
| Cost or deemed cost | | | | | | |
| Balance as at 1 April 2022 | 10.11 | 0.77 | 10.88 | 760.99 | 56.75 | 817.74 |
| Additions during the year | 0.10 | - | 0.10 | 8.60 | - | 8.60 |
| Disposals / Adjustments | 0.02 | - | 0.02 | 69.06 | 5.51 | 74.57 |
| Balance as at 31 March 2023 | 10.23 | 0.77 | 11.00 | 838.65 | 62.26 | 900.91 |
| Additions during the year | 0.09 | - | 0.09 | 7.51 | - | 7.51 |
| Disposals / Adjustments | - | - | - | 14.76 | 0.94 | 15.70 |
| Balance as at 31 March 2024 | 10.32 | 0.77 | 11.09 | 860.92 | 63.20 | 924.12 |
| Accumulated depreciation | | | | | | |
| Balance as at 1 April 2022 | 2.14 | 0.12 | 2.26 | 157.39 | 12.09 | 169.48 |
| Charge for the year | 0.95 | 0.05 | 1.00 | 75.15 | 12.59 | 87.74 |
| Disposals / Adjustments | - | - | - | 19.16 | (12.40) | 6.76 |
| Balance as at 31 March 2023 | 3.09 | 0.17 | 3.26 | 251.70 | 12.28 | 263.98 |
| Charge for the year | 0.96 | 0.05 | 1.01 | 79.49 | 4.14 | 83.63 |
| Disposals / Adjustments | - | - | - | 4.58 | 0.27 | 4.85 |
| Balance as at 31 March 2024 | 4.05 | 0.22 | 4.27 | 335.77 | 16.69 | 352.46 |
| Net carrying amount | | | | | | |
| As at 31 March 2023 | 7.14 | 0.60 | 7.74 | 586.95 | 49.98 | 636.93 |
| As at 31 March 2024 | 6.27 | 0.55 | 6.82 | 525.15 | 46.51 | 571.66 |



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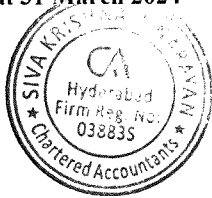
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Sai Life Sciences Inc.,

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

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

| 5. Intangible assets | USD | INR |
|------------------------------------|-------------------|-------------------|
| | Acquired software | Acquired software |
| Cost or deemed cost | | |
| Balance as at 1 April 2022 | 0.30 | 22.11 |
| Adjustments | - | 2.63 |
| Balance as at 31 March 2023 | 0.30 | 24.74 |
| Adjustments | - | 0.37 |
| Balance as at 31 March 2024 | 0.30 | 25.11 |
| Accumulated amortization | | |
| Balance as at 1 April 2022 | 0.13 | 9.22 |
| Charge for the year | 0.04 | 3.27 |
| Adjustments | - | 1.74 |
| Balance as at 31 March 2023 | 0.17 | 14.23 |
| Charge for the year | 0.04 | 3.49 |
| Adjustments | - | 0.23 |
| Balance as at 31 March 2024 | 0.21 | 17.95 |
| Net carrying amount | | |
| As at 31 March 2023 | 0.13 | 10.51 |
| As at 31 March 2024 | 0.09 | 7.16 |



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Sai Life Inc.,

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 Mar 2024 USD | As at 31 Mar 2024 INR | As at 31 March 2023 USD | As at 31 March 2023 INR |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| 6. Financial assets | | | | |
| (i) Other financial assets | | | | |
| Security deposits | 0.02 | 1.53 | - | - |
| | 0.02 | 1.53 | - | - |
| 7. Deferred tax Asset (net) | 1.57 | 131.30 | 0.98 | 80.62 |
| | 1.57 | 131.30 | 0.98 | 80.62 |
| 8. Non-current tax assets (net) | | | | |
| Advance income-tax (net of provision for taxation) | 0.02 | 1.39 | - | - |
| | 0.02 | 1.39 | - | - |
| 9. Other assets | | | | |
| Non-current | | | | |
| Prepaid expenses | 0.01 | 0.95 | - | - |
| | 0.01 | 0.95 | - | - |
| Current | | | | |
| Advance to suppliers | 0.18 | 14.19 | 0.04 | 3.53 |
| Prepaid expenses | 0.16 | 12.95 | 0.19 | 15.61 |
| | 0.34 | 27.14 | 0.23 | 19.14 |
| 10. Inventories | | | | |
| Raw materials and packing materials | 0.16 | 13.71 | 0.17 | 14.10 |
| | 0.16 | 13.71 | 0.17 | 14.10 |
| 11. Trade receivables | | | | |
| (a) Trade receivables - considered good unsecured | 1.16 | 96.90 | 1.64 | 134.94 |
| (b) Trade receivables which have significant increase in credit risk | 0.18 | 15.35 | - | - |
| | 1.34 | 112.25 | 1.64 | 134.94 |
| Less: Allowance for doubtful receivables | (0.18) | (15.35) | - | - |
| | 1.16 | 96.90 | 1.64 | 134.94 |

Trade receivables Aging:

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) Undisputed Trade receivables - considered good | 56.90 | 38.24 | 1.41 | 0.35 | - | 96.90 | |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | 1.39 | - | 1.87 | 15.35 | |
| Total | 56.90 | 38.24 | 2.80 | 0.35 | 1.87 | 112.25 | |

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) Undisputed Trade receivables - considered good | 11.66 | 49.47 | 5.41 | 16.00 | 52.40 | 134.94 | |
| Total | 11.66 | 49.47 | 5.41 | 16.00 | 52.40 | 134.94 | |

12. Cash and cash equivalents and other bank balances

Cash and cash equivalents

Balances with banks

- in current accounts

| | | | | |
|--|-------------|--------------|-------------|--------------|
| | 0.56 | 47.04 | 0.73 | 59.77 |
| | 0.56 | 47.04 | 0.73 | 59.77 |

13. Equity share capital

i. Authorised share capital

| | As at 31 Mar 2024 | | As at 31 Mar 2024 | | As at 31 March 2023 | | As at 31 March 2023 | |
|---------------------------|----------------------|--------------|----------------------|-----------------|------------------------|--------------|------------------------|--|
| | Number | Amount (USD) | Amount (INR) | Number | Amount (USD) | Amount (INR) | | |
| Equity shares of \$1 each | 2,50,000 | 0.25 | 18.28 | 2,50,000 | 0.25 | 18.28 | | |
| | 2,50,000 | 0.25 | 18.28 | 2,50,000 | 0.25 | 18.28 | | |

ii. Issued, subscribed and fully paid up

| | Number | Amount (USD) | Amount (INR) | Number | Amount (USD) | Amount (INR) |
|---------------------------|-----------------|--------------|--------------|-----------------|--------------|--------------|
| Equity shares of \$1 each | 1,84,762 | 0.18 | 13.55 | 1,84,762 | 0.18 | 13.55 |
| | 1,84,762 | 0.18 | 13.55 | 1,84,762 | 0.18 | 13.55 |

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

| | Number | Amount (USD) | Amount (INR) | Number | Amount (USD) | Amount (INR) |
|---------------------------------------|-----------------|--------------|--------------|-----------------|--------------|--------------|
| Equity shares | | | | | | |
| Balance at the beginning of the year | 1,84,762 | 0.18 | 13.55 | 1,39,849 | 0.14 | 10.21 |
| Add: Shares issued during the year | - | - | - | 44,913 | 0.04 | 3.34 |
| Balance at the end of the year | 1,84,762 | 0.18 | 13.55 | 1,84,762 | 0.18 | 13.55 |

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.

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

| Name of the equity shareholders | As at 31 Mar 2024 | | As at 31 March 2023 | |
|---------------------------------|-------------------|-----------|---------------------|-----------|
| | Number | % holding | Number | % holding |
| Sai Life Sciences Limited | 1,84,762 | 100.00% | 1,84,762 | 100.00% |



Signature

Sai Life Inc.,

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 Mar 2024 USD | As at 31 Mar 2024 INR | As at 31 March 2023 USD | As at 31 March 2023 INR |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| 14. Other equity | | | | |
| Securities premium (Note a) | 8.82 | 653.22 | 8.82 | 653.22 |
| Retained earnings (Note b) | (5.21) | (394.91) | (5.39) | (244.31) |
| Foreign currency translation reserve (Note c) | - | 44.95 | - | 39.84 |
| | 3.61 | 303.26 | 5.43 | 448.75 |

Nature and purpose of reserves

(a) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

(b) 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.

(c) 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.

15. Lease liabilities

| | | | | |
|-------------|-------------|---------------|-------------|---------------|
| Non-current | 0.56 | 546.86 | 7.28 | 598.34 |
| Current | 0.73 | 60.79 | 0.55 | 44.97 |
| | 7.29 | 607.65 | 7.83 | 643.31 |

16 Trade Payable

Acceptances

(A) Total outstanding dues of micro enterprises and small enterprises

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

| | | | | |
|-----|-------------|---------------|-------------|---------------|
| (A) | 5.43 | 288.08 | 1.98 | 162.21 |
| (B) | - | - | - | - |
| | 3.43 | 288.08 | 1.98 | 162.21 |

For the year ended 31 March 2024

Particulars

(i) MSME

(ii) Others

(iii) Disputed Dues - MSME

(iv) Disputed Dues - Others

(v) Unbilled Dues

Total

| 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 | | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 162.69 | 54.81 | 60.19 | 10.39 | - | 288.08 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled Dues | - | - | - | - | - | - |
| Total | 162.69 | 54.81 | 60.19 | 10.39 | - | 288.08 |

For the year ended 31 March 2023

Particulars

(i) MSME

(ii) Others

Total

| 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 | | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 99.53 | 52.82 | 9.86 | - | - | 162.21 |
| Total | 99.53 | 52.82 | 9.86 | - | - | 162.21 |

17. Other liabilities

Current

Advance from customers

Payable to statutory authorities

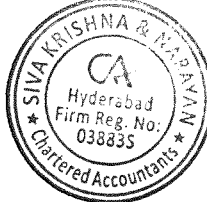
Other Advances

| | | | | |
|----------------------------------|-------------|--------------|-------------|--------------|
| Advance from customers | - | - | 0.23 | 18.87 |
| Payable to statutory authorities | 0.19 | 15.32 | 0.16 | 12.84 |
| Other Advances | 0.54 | 45.22 | 0.53 | 44.28 |
| | 0.73 | 60.54 | 0.92 | 75.99 |

18. Current tax liabilities (net)

Provision for income tax (net of advance tax)

| | | | | |
|---|----------|----------|-------------|-------------|
| Provision for income tax (net of advance tax) | - | - | 0.02 | 1.48 |
| | - | - | 0.02 | 1.48 |



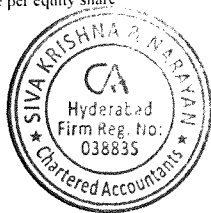
Signature

Sai Life Inc.,

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

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

| | Year ended | Year ended | Year ended | Year ended |
|--|---------------|----------------|---------------|-----------------|
| | 31 March 2024 | 31 March 2024 | 31 March 2023 | 31 March 2023 |
| | USD | INR | USD | INR |
| 19. Revenue from operations | | | | |
| Sale of goods and services | | | | |
| Revenue from contract research and manufacturing activities* | 11.91 | 986.47 | 13.03 | 1,046.84 |
| | 11.91 | 986.47 | 13.03 | 1,046.84 |
| *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 | 11.91 | 986.47 | 13.03 | 1,046.84 |
| Over time | - | - | - | - |
| Total | 11.91 | 986.47 | 13.03 | 1,046.84 |
| 20. Cost of materials consumed | | | | |
| Raw material and packing material at the beginning of the year | - | - | - | - |
| Add: Purchases/adjustments | 3.11 | 257.17 | 3.66 | 294.03 |
| Less: Raw material and packing material at the end of the year | - | - | - | - |
| | 3.11 | 257.17 | 3.66 | 294.03 |
| 21. Employee benefits expense | | | | |
| Salaries, wages and bonus | 7.12 | 589.15 | 7.34 | 589.75 |
| Staff welfare expenses | 0.11 | 9.06 | 0.06 | 4.84 |
| | 7.23 | 598.21 | 7.40 | 594.59 |
| 22. Finance costs | | | | |
| Interest on lease liabilities | 0.76 | 62.60 | 0.81 | 64.95 |
| | 0.76 | 62.60 | 0.81 | 64.95 |
| 23. Depreciation and amortisation expense | | | | |
| Depreciation of property, plant & equipment | 0.43 | 36.21 | 0.42 | 34.10 |
| Depreciation on right-of-use assets | 1.01 | 83.22 | 1.00 | 79.99 |
| Amortisation of intangible assets | 0.03 | 3.49 | 0.04 | 3.39 |
| | 1.47 | 122.92 | 1.46 | 117.48 |
| 24. Other expenses | | | | |
| Rent | 0.22 | 17.97 | 0.01 | 0.42 |
| Repairs and maintenance - Others | 0.30 | 24.51 | 0.22 | 17.67 |
| Travelling and conveyance | 0.37 | 30.69 | 0.42 | 33.71 |
| Communication expenses | 0.07 | 6.14 | 0.08 | 6.28 |
| Legal and professional fees | 0.34 | 28.34 | 0.33 | 26.28 |
| Printing and stationery | 0.04 | 3.33 | 0.07 | 5.54 |
| Bank charges | 0.02 | 1.33 | 0.01 | 1.20 |
| Membership and subscription | 0.23 | 19.37 | 0.26 | 20.51 |
| Provision for doubtful trade receivables, net | 0.18 | 15.24 | - | - |
| Exchange Gain or Loss | - | 0.04 | - | - |
| Miscellaneous expenses | 0.01 | 0.51 | 0.14 | 10.81 |
| | 1.78 | 147.47 | 1.54 | 122.42 |
| 25. Income tax | | | | |
| Tax expense comprises of: | | | | |
| Current tax | (0.03) | (2.17) | 0.002 | 0.19 |
| Deferred tax | (0.59) | (49.11) | (0.26) | (20.84) |
| Income tax expense reported in the statement of profit or loss | (0.62) | (51.28) | (0.26) | (20.65) |
| 26. Earnings per equity share [EPES] | | | | |
| Profit attributable to equity shareholders | (1.82) | (150.60) | (1.58) | (125.97) |
| Weighted average number of equity shares outstanding during the year | 1,84,762 | 1,84,762 | 1,82,424 | 1,82,424 |
| Earnings per equity share (in absolute ₹ terms) : | | | | |
| Basic | (9.85) | (815.10) | (8.66) | (690.53) |
| Diluted | (9.85) | (815.10) | (8.66) | (690.53) |
| Nominal Value per equity share | 1 USD | 75 INR | 1 USD | 75 INR |



S. K. Rao

Sai Life Inc.,

Notes to the financial statements for the year ended 31 March 2024 (continued)
(All amounts in Millions, except share data and where otherwise stated)

27. 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. 20-04-2023 |
| Sai Quest Syn Private Limited | Entities in which KMP have control or have |
| Dr. K Ranga Raju Krishnam Raju Sivaramakrishnan Chittoor Runa Karan | Key management personnel ("KMP") |

(b) Transactions with related parties

| | Year ended | Year ended | Year ended | Year ended |
|---|---------------|---------------|---------------|---------------|
| | 31 March 2024 | 31 March 2024 | 31 March 2023 | 31 March 2023 |
| | USD | INR | USD | INR |
| Transactions with Parent company | | | | |
| Consultancy services Provided | 4.44 | 367.99 | 3.76 | 302.30 |
| Sai Life Sciences Limited (SLSL) | 4.44 | 367.99 | 3.76 | 302.30 |
| Research Services Received | 0.33 | 27.00 | 0.68 | 54.92 |
| Sai Life Sciences Limited (SLSL) | 0.33 | 27.00 | 0.68 | 54.92 |
| Issue of Standby Line of Credit | 0.43 | 36.20 | 0.43 | 32.90 |
| Sai Life Sciences Limited (SLSL) | 0.43 | 36.20 | 0.43 | 32.90 |
| Other transactions with Parent company | 1.53 | 126.68 | 1.15 | 92.44 |
| Sai Life Sciences Limited (SLSL) (Sale of Lab consumables) | 1.19 | 98.74 | 1.15 | 92.44 |
| Sai Life Sciences Limited (SLSL) (Service fee for Sales of lab consumables) | 0.34 | 27.94 | | |

(c) Balances outstanding

| | | | | |
|------------------------------------|-------------|---------------|-------------|--------------|
| Receivables | | | | |
| Parent company | 0.39 | 32.35 | - | - |
| - Sai Life Sciences Limited (SLSL) | 0.39 | 32.35 | - | - |
| Payables | | | | |
| Parent company | 2.00 | 166.54 | 0.80 | 73.91 |
| - Sai Life Sciences Limited (SLSL) | 2.00 | 166.54 | 0.80 | 73.91 |
| Advances payable | | | | |
| Parent company | 0.54 | 45.22 | 0.54 | 44.28 |
| - Sai Life Sciences Limited (SLSL) | 0.54 | 45.22 | 0.54 | 44.28 |



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Sai Life Inc.,

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

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

28 Leases

Company as a lessee : The Company has lease contracts for buildings and Plant & equipment, with lease period varying between 1 to 51 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Lease liabilities

| Particulars | As at | As at | As at | As at |
|------------------------|-------------|---------------|---------------|---------------|
| | 31 Mar 2024 | 31 Mar 2024 | 31 March 2023 | 31 March 2023 |
| | USD | INR | USD | INR |
| Opening balance | 7.83 | 643.31 | 8.47 | 641.94 |
| Additions | 0.12 | 9.67 | 0.11 | 8.86 |
| Deletions | - | 9.27 | - | 52.66 |
| Accretion of interest | 0.76 | 62.60 | 0.81 | 64.95 |
| Payments | (1.42) | (117.20) | (1.56) | (125.10) |
| Closing balance | 7.29 | 607.65 | 7.83 | 643.31 |
| Current | 0.73 | 60.79 | 0.55 | 44.97 |
| Non-current | 6.56 | 546.86 | 7.28 | 598.34 |

Amount recognised in Statement of Profit and Loss

| Particulars | For the year ended | | | |
|---|--------------------|-------------|---------------|---------------|
| | 31 Mar 2024 | 31 Mar 2024 | 31 March 2023 | 31 March 2023 |
| Depreciation: Right-of-use assets | 1.01 | 83.22 | 1.00 | 79.99 |
| Finance cost: Interest on lease liabilities | 0.76 | 62.60 | 0.81 | 64.95 |
| Short term and variable lease payments (Refer note below) | 0.22 | 17.97 | 0.01 | 0.42 |

Note: The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Amount recognised in Statement of Cash flow

| Particulars | For the year ended | | | |
|--|--------------------|-------------|---------------|---------------|
| | 31 Mar 2024 | 31 Mar 2024 | 31 March 2023 | 31 March 2023 |
| Cash outflows for leases | | | | |
| Interest portion of lease liabilities | 0.76 | 62.60 | 0.81 | 64.95 |
| Principal portion of lease liabilities | 0.66 | 54.60 | 0.75 | 60.15 |

29 Approval of financial statements

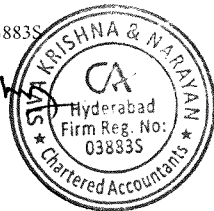
The financial statements were approved by the Board of Directors on 21-05-2024.

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 Inc


Krishnam Raju
Director

Place: Hyderabad
Date: 21-05-2024