Make it better together

Sai Life Sciences Limited

25th Annual Report 2023-24

CORPORATE INFORMATION

Chairman &
Whole-time Director
Dr K RANGA RAJU

Managing Director &
Chief Executive Officer (CEO)
K KRISHNAM RAJU

Independent Directors
RAJAGOPAL S TATTA

MANJUSHA AMBADAS JOSHI
(*appointed as an Independent Director w.e.f. 9 June 2023*)

Directors

Dr RAJU A PENMASTA

Investor Directors

PUNEET BHATIA
MITESH DAGA

Chief Financial Officer

SIVARAMAKRISHNAN CHITTOR

Company Secretary

RUNA KARAN

Manufacturing Facilities

UNIT-III

Survey No.296/7/3 &4, Bollaram,
Jinnaram Mandal, Medak Dist

UNIT-IV
79-A, 79-B, 80-A, 80-B, 81-A and 82,
Kolhar Industrial Area, Bidar, Karnataka.

UNIT-VI
Plot No 136A, B and 137, Kolhar
Industrial Area, Bidar - 585403,
Karnataka.

R&D Centres

UNIT-II

DS-4, DS-7 and DS-16, IKP Knowledge
Park, Turkapally Village, Shameerpet,
Ranga Reddy District.

Registered Office

Plot No. DS-7, IKP Knowledge Park,
Turkapally Village, Shameerpet Mandal,
Medchal-Malkajgiri Dist, Hyderabad -
500078, Telangana.

Corporate office
L4-01 & 02, SLN Terminus, Survey
#133, Gachibowli Miyapur Road,
Gachibowli, Hyderabad – 500032,
Telangana.

Subsidiaries

Sai Life Sciences Inc, USA
Sai Life Sciences GmbH, Germany
Sai Life Pharma Private Limited,
India

Branch Offices
UK Branch
Basement A Block 33 Alderley Park,
Macclesfield, SK10 4TG, UK

Switzerland Branch
Banjara Hills, Oftringen Branch,
Baarerstrasse 75, 6300 Zug, Switzerland

Japan Branch
6-15-14-1104 Shirokane Minato-Ku
Tokyo 108-0072 Japan
Representative office
7th floor, No.968, West Beijing Rd,
Shanghai, China

Auditors

Statutory Auditors
Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Auditors
PricewaterhouseCoopers Services LLP,
Chartered Accountants

Secretarial Auditors
DSMR & Associates,
Company Secretaries

Bankers

State Bank of India
IndusInd Bank
ICICI Bank
Standard Chartered Bank
Kotak Mahindra Bank
HDFC Bank
HSBC Bank
Axis Bank
Bank Of Baroda
DBS Bank

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NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **Sai Life Sciences Limited** will be held on Friday, the 14th day of June, 2024 at 10.30 A.M (IST) at # L4-01 & 02, SLN Terminus, Survey #133, Gachibowli Miyapur Road, Gachibowli, Hyderabad – 500032, Telangana, India to transact the following business:

ORDINARY BUSINESS:

1. Consider, approve & take on record the Audited Standalone Balance Sheet, Audited Standalone Statement of Profit & Loss, Audited Standalone Statement of Changes in Equity and Audited Standalone Statement of Cash Flows of the Company for the Year ended 31st March 2024

2. Consider, approve & take on record the Audited Consolidated Balance Sheet, Audited Consolidated Statement of Profit & Loss, Audited Consolidated Statement of Changes in Equity and Audited Consolidated Statement of Cash Flows of the Company for the Year ended 31st March 2024

3. To re-appoint Dr. K Ranga Raju (DIN:00043186) who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint Mr. K Krishnam Raju (Din: 00064614) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Appointment of Mr. Ramesh Ganesh Iyer (DIN: 00220759) as Independent Director of the company

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

"**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee by way of the meeting held on 21st May, 2024 and in accordance the provisions of Sections 149, 150, 152 and 161 read with Schedule IV of the Companies Act, 2013, as amended, and the rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (collectively referred to as the "**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), and other applicable law and pursuant to the provisions of the Articles of Association of the Company, Mr. Ramesh Ganesh Iyer (DIN: 00220759), who has provided his consent to act as an independent director of the Company, and submitted a declaration that he meets the criteria for appointment as an independent director under Section 149(6) of the Companies Act and the SEBI Listing Regulations [and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a member, signifying his intention to propose Mr. Ramesh Ganesh Iyer's candidature for the office of director of the Company, be and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 consecutive years commencing from 21st May, 2024 to 20th May, 2029, and shall be paid a sitting fees and commission for attending meetings of the Board or any committees thereof in terms of the appointment letter dated 21st May, 2024 issued to Mr. Ramesh Ganesh Iyer, and as may be determined by the Board from time to time."

"**RESOLVED FUTHER THAT** pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013, the Shareholders hereby approve the commission at the rate of 1% of annual net profits, upto a maximum of Rs. 35,00,000 (Rupees Thirty Five Lakhs) per annum payable on a quarterly basis to Mr. Ramesh Ganesh Iyer (DIN: 00220759), subject to the available profits and sitting fees attending Board Meeting and committee meeting, subject to applicable provisions as may be required to ensure compliance of the Companies Act 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to file necessary forms with the Registrar of Companies, Telangana at Hyderabad and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any director, Mr. Sivaramakrishnan Chittor, Chief Financial Officer and/or Ms. Runa Karan Company Secretary of the Company is authorised to certify the true copy of the aforesaid resolutions."

6. Increase in the Remuneration of Dr. K Ranga Raju (DIN:00043186), Chairman and Whole-Time Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 197,198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable clauses of the Articles of Association of the Company, based on the recommendations of the Nomination and Remuneration Committee of the company, based on the approval accorded by the Board of the Company in accordance with the nomination and remuneration policy of the Company, approval of the members be and is hereby accorded for the alteration in the remuneration structure of Dr. K Ranga Raju (DIN:00043186) Chairman and Whole-time Director of the Company, w.e.f. 1st April, 2024 for the balance term i.e. till 31st July, 2028 on the terms and conditions as approved by Nomination and Remuneration Committee and as envisaged Explanatory Statement.

RESOLVED FURTHER THAT the remuneration payable to Dr K Ranga Raju (DIN:00043186) shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT in case of inadequacy of profits or no profits during the remaining tenure of the Whole-Time Director the remuneration payable to him shall be payable in accordance with the terms and conditions specified in Section II of Part II of Schedule V of the Act

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized severally to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

7. Increase in the Remuneration of Mr. K Krishnam Raju (Din: 00064614), Managing Director and CEO of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 197,198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable clauses of the Articles of Association of the Company based on the recommendations of the Nomination and Remuneration Committee of the company based on the approval accorded by the Board of the Company in accordance with the nomination and remuneration policy of the company, approval of the members be and is hereby accorded for the alteration in the remuneration structure of Mr. K Krishnam Raju(DIN: 00064614), Managing Director & CEO of the Company, w.e.f. 1st April, 2024 for the balance term i.e. till 31st August, 2025 on the terms and conditions as approved by Nomination and Remuneration Committee and as envisaged in the Explanatory Statement.

RESOLVED FURTHER THAT the remuneration payable to Mr. K Krishnam Raju (DIN: 00064614) shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT in case of inadequacy of profits or no profits during the remaining tenure of the Managing Director the remuneration payable to him shall be payable in accordance with the terms and conditions specified in Section II of Part II of Schedule V of the Act

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized severally to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

By Order of the Board
For **Sai Life Sciences Limited**

Sd/-
Runa Karan
Company Secretary
Membership No.13721

Date: May 21, 2024
Place: Hyderabad

NOTES:

1. A Member, entitled to attend and vote at meeting, is entitled to appoint a proxy to attend and vote instead of himself.
2. The proxy need not be a member of the company. Proxy form duly completed should be deposited at the company's Registered Office at least 48 hours before commencement of the meeting.
3. Members / Proxies should bring the attendance slip sent herewith duly filled in, for attending the meeting.
4. The Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. All the documents referred to in this notice and explanatory statement will be available for inspection by the Members at the Registered Office of the Company between 10 AM and 5 PM on all working days from the date hereof up to the date of the meeting. The relevant documents referred to in the notice and explanatory statement will also be available for inspection by the members at the meeting.
6. Register of Directors and their shareholding Under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company. Corporate members intending to send their authorized representatives to attend the Annual General Meeting pursuant to the provisions of Section 113 of Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.
7. Statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
8. Route Map has been Annexed with this Notice

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No: 5:

Mr. Ramesh Ganesh Iyer (DIN: 00220759) was appointed as Additional Director (in the capacity of Independent Director) on the Board of the Company pursuant to the resolution passed by the Board in its meeting held on 21st May, 2024. Mr. Ramesh Ganesh Iyer is proposed to be appointed as Independent Director of the Company by resolution of the shareholders, in accordance with applicable laws, including the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations. In this regard, the Board is of the opinion that Mr. Ramesh Ganesh Iyer fulfils the criteria for being appointed as Independent Director, as set out in the Companies Act, 2013, SEBI Listing Regulations and that Mr. Ramesh Ganesh Iyer is independent of the management of the Company. The details of remuneration payable to Mr. Ramesh Ganesh Iyer (DIN: 00220759), is given below:

i. Commission: 1% of Annual net Profits, up to a maximum of Rs. 35,00,000 (Rupees Thirty Five Lakhs only) per annum, subject to available profits.

ii. He will be paid an amount of Rs.20,000 by way of sitting fees for each meeting of the Board and an amount of Rs. 6,000 for each meeting of its committees.

iii. Reimbursement of Expenses of travel, hotel and other incidental expenses incurred by him to discharge his duties.

The Company has received the consent in writing from Mr. Ramesh Ganesh Iyer to act as a Director in Form DIR-2, intimations to the effect that he is not disqualified to be appointed as a director in other companies in Form DIR-8. Further, he has issued a declaration in writing to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations.

Information of director seeking appointment at the forthcoming annual general meeting (pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India).

Name of the Director	Ramesh Ganesh Iyer
Directors Identification Number	00220759
Date of Birth (Age in years)	04.06.1958 65
Original date of appointment	21st May 2024
Qualifications	m., M.B.A., Doctor of Letters (D.Litt)
Experience and expertise in specific functional area	Understanding of Finance and Financial Reporting Processes; Risk oversight comprising ability to understand and oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk. Established leadership skills in strategic planning, succession planning, driving change and long-term growth and guiding the Company towards its vision, mission and values. Critically analysing complex and detailed information and developing innovative solutions and striking a balance between agility and consistency.Expertise in the field of Banking and Financial Services.
Shareholding in the Company	NIL
Remuneration last drawn	Rs. 7.16 Crores drawn from Mahindra & Mahindra Financial

	Services Limited
No. of Board meetings attended during the year	NA
Terms and conditions of re-appointment and remuneration	Terms and conditions of re-appointment: Period of 5 consecutive years commencing from 21st May, 2024 to 20th May, 2029. Eligible for appointment for next consecutive term of 5 years, subject to the approval of Shareholders. The details of remuneration payable to Mr. Ramesh Ganesh Iyer (DIN: 00220759), is given below: Commission: 1% of Annual net Profits, up to a maximum of Rs. 35,00,000 (Rupees Thirty Five Lakhs only) per annum, subject to available profits. He will be paid an amount of Rs.20,000 by way of sitting fees for each meeting of the Board and an amount of Rs. 6,000 for each meeting of its committees. Reimbursement of Expenses of travel, hotel and other incidental expenses incurred by him to discharge his duties.
Relationship with other Directors or KMPs	NA
Directorships held in other companies in India	
Membership / Chairmanship of committees in public limited and listed companies in India	Given below
Justification	NA
Brief Resume of the Director	**Mr. Ramesh Iyer** Vice-Chairman and Managing Director Mr. Ramesh Iyer's key mandate at Mahindra Group is to drive inclusive growth aligned to the Group's guiding belief of driving rural prosperity. He has been instrumental in building Mahindra Finance since 1994 into one of India's leading rural finance companies. Mr. Iyer manages the Financial Services Sector of the Mahindra Group with total Assets Under Management (AUM) of the Sector being an upwards of ₹ 1,00,000 crores (around $ 13 billion). This Sector includes Mahindra & Mahindra Financial Services Limited (a listed Entity with over $ 4 billion market capitalisation), Mahindra Insurance Brokers Limited, Mahindra Rural Housing Finance Limited, Mahindra Manulife Investment Management Private Limited, Mahindra Manulife Trustee Private Limited and Mahindra Ideal Finance, Sri Lanka. He also oversees the operations of Mahindra Finance USA, LLC. a U.S. joint venture with De Lage Landen Financial Services Inc. (DLLFS) a wholly-owned subsidiary of the Rabobank Group.

	Mr. Iyer has been closely involved in the development of the country's dynamic Financial Services Sector. Mr. Iyer is the Chairman of the Finance Industry Development Council (FIDC) and also co-chairs the NBFC Committee of the IMC Chamber of Commerce & Industry. He is a member of various Committees like the CII National Committee on Financial Inclusion and Digitisation, the CII National Committee on Leadership & HR, the Banking & Finance Committee of the Bombay Chamber of Commerce and Industry (BCCI) and the Taskforce of NBFCs of the Federation of Indian Chambers of Commerce and Industry (FICCI). Apart from being on the various bodies of the Financial Services Sector, Mr. Iyer is also on the Advisory Boards of various Educational Institutions like IITB-Washington University, Vidyalankar Institute of Technology – School of Management, WeSchool's PGDM-Rural Management Committee and on the College Development Committee of Vivek College of Commerce. Mr. Iyer has recently received a Doctor of Letters (D.Litt) from ITM Vocational University on the recommendation of the University's Chancellor. Mr. Iyer holds a Bachelor's degree in Commerce and a Master's degree in Business Administration.

Sr. No.	**Name of the Company**	**Name of the Committee**	**Position held (Chairman/ Member)**
1	Mahindra First Choice Wheels Limited	Audit Committee	Member
2	NBS International Limited	Nomination & Remunerati Committee	Member
		Audit Committee	Chairman
3	Mahindra Agri Solutions Limited	Allotment Committee	Member
4	Mahindra Susten Private Limit (Subsidiary of Public)	Audit Committee	Member
		Nomination & Remunerati Committee	Member
		Finance Committ (Voluntary committee f borrowing related matters)	Member

The above resolution is proposed to the shareholders as an ordinary resolution.

None of the other Directors or Key Managerial Personnel or their respective relatives are in any way concerned or interested, financial or otherwise, in the resolution set out at Item no. 5 of the Notice.

Item No: 6:

The Members of the Company at the 24th Annual General Meeting held on 7th September, 2023, re-appointed Dr. K Ranga Raju as the Chairman and Whole-time Director by the members to hold office up to 31st July, 2028.

Dr. K Ranga Raju is one of the main promoters and presently the Chairman of the Company. He has been associated with the Company since inception and taking care of the day to day activities of the operations of the Company. He has put in his total dedication and hard-work resulting into profitable growth of the company. In times of slowdown of the business and in the recent recession in the global market, the Company has always kept its spirit high both in words and action due to the untiring efforts of Dr. K Ranga Raju, Chairman. Dr. K Ranga Raju, is a Ph.D in Pharmacy from USA with 30+ years of experience in the Pharma Industry. He is a M.S in Pharmaceutical Sciences, USA. Who leads the company through a period of fast paced change through expansion, acquisition and mergers to emerge as a leading CRO & API manufacturing company in India. Accordingly, looking at his expertise and long experience of business and corporate management.

Pursuant to the provisions of Section 197,198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable clauses of the Articles of Association of the Company, recommendation of the Nomination and Remuneration Committee of the company held on 21st May, 2024, approval of the Board of the Company held on 21st May, 2024, nomination and remuneration policy, keeping in view of his contributions & future growth of the company, it is recommended to revise the remuneration payable to Dr. K Ranga Raju (DIN:00043186) effective from 1st April, 2024 for the balance term i.e. till 31st July, 2028.

The interest or concern of Dr. K Ranga Raju in the following company or companies, bodies corporate, firms or other association of individuals are as follows:-

Sl No.	Names of the Companies /bod corporate/ firms/ association individuals	Nature of interest concern / Change interest or concern	Shareholding
1.	Sai Quest Syn Private Limited	Director	9,99,200
2.	Pattancheru Envirotech Ltd	Director	-
3.	Ranmyt Trading Private Limited	Director	5,000
4.	Sai Life Pharma Private Limited	Director	-
5	JRV Properties LLP	Designated Partner	-
6.	Sai International	Partner	Nil

The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of revised remuneration payable to Dr. K Ranga Raju (DIN:00043186) is given below:

1. Remuneration:

a. Annual Base Salary : Rs.2.15 crores

b. Annual payout : Rs. 65,65,397

II. Perquisites
The Chairman shall be entitled to the perquisites and allowances listed below in addition to the salary mentioned above:
a. Club Fees: Fees of clubs, subject to a maximum of three clubs.
b. Personal Accident Insurance/Group Life Insurance
c. Provident Fund/Pension: Contribution to Provident Fund and Pension Fund under the relevant Act
d. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

e. Use of Car with Driver: The Company shall provide a car with driver for business and personal use.
f. Telephone /Internet facility at residence: Telephone / Internet facility shall be provided at the residence.
g. Leave Encashment: Encashment of leave at the end of tenure- as per the rules of the Company
h. Medical: for self and family

During the remaining tenure of Dr. K Ranga Raju (DIN:00043186) as Chairman and Whole-Time Director if the profits are not sufficient or inadequate the remuneration payable to him shall be payable in accordance with the terms and conditions specified in Section II of Part II of Schedule V of the Act

Your Directors are of the view that the company would be immensely benefited by the varied experience of Dr. Ranga Raju and therefore commended for approval, the resolution contained therein.

Except Dr. K Ranga Raju (DIN:00043186), and Mr. K Krishnam Raju (DIN: 00064614) relative of Chairman and Whole-Time Director, none of other Directors, Managers or Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution.

.**Item No. 7**

The Members of the Company at the 23rd Annual General Meeting held on 19th September, 2022, Mr. K Krishnam Raju, was re-appointed as Managing Director & CEO by the members to hold office upto 31st August, 2025.

Mr. K Krishnam Raju joined Sai in 2004 as Vice President of Business Development in the US and was instrumental in creating the client base particularly with the pharma sector. He moved from US to India in FY 2008 to take up a Management position in Sai. Mr. K Krishnam Raju has been instrumental helping the Company reposition itself for the long run and helped obtain significant funding from external investors for investments in new line of business.

The interest or concern of Mr. K Krishnam Raju in the following company or companies, bodies corporate, firms or other association of individuals are as follows:-

Sl No.	**Names of the Companies /boc corporate/ firms/ association individuals**	**Nature of interest concern / Change interest or concern**	**Shareholding**
1.	South India Research Institute Pvt L	Director	Nil
2.	Sai Life Pharma Private Limited	Managing Director	Nil

The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Pursuant to the provisions of Section 197,198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable clauses of the Articles of Association of the Company, recommendation of the Nomination and Remuneration Committee of the company held on 21st May, 2024, approval of the Board of the Company held on 21st May, 2024, nomination and remuneration policy, keeping in view of his contributions & future growth of the company, it is recommended to revise the remuneration payable to Mr. K. Krishnam Raju(DIN: 00064614) as follows w.e.f 1st April, 2024 for the balance term i.e. till 31st August, 2025:

1. Remuneration:

a. Annual Base Salary : Rs.4 crores
b. Commission : 2.5% of Net Profits

II. Perquisites

The Managing Director shall be entitled to the perquisites and allowances listed below in addition to the salary mentioned above:

a. Club Fees: Fees of clubs, subject to a maximum of three clubs.
b. Personal Accident Insurance/Group Life Insurance
c. Provident Fund/Pension : Contribution to Provident Fund and Pension Fund under the relevant Act
d. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.
e. Use of Car with Driver: The Company shall provide a car with driver for business and personal use.
f. Telephone / Internet facility at residence: Telephone / Internet facility shall be provided at the residence.
g. Leave Encashment: Encashment of leave at the end of tenure- as per the rules of the Company
h. Medical: for self and family

During the remaining tenure of Mr. K. Krishnam Raju (DIN: 00064614) as Managing Director if the profits are not sufficient or inadequate the remuneration payable to him shall be payable in accordance with the terms and conditions specified in Section II of Part II of Schedule V of the Act

Your Directors are of the view that the company would be immensely benefited by the varied experience of Mr. K Krishnam Raju (DIN: 00064614) and therefore commended for approval, the resolution contained therein.

Except Mr. K Krishnam Raju (DIN: 00064614) and Dr. K Ranga Raju (DIN:00043186), relative of Managing Director, none of other Directors, Managers or Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution.

By Order of the Board
For **Sai Life Sciences Limited**

Sd/-
Runa Karan
Company Secretary
Membership No.13721

Date: May 21, 2024
Place: Hyderabad

Directors' Report

Dear Members,

Your Board of Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended 31st March, 2024.

Financial Highlights

(Rs in millions)

Particulars	For the year ended March 31			
	Consolidated		Standalone	
	2024	2023	2024	2023
Revenue from operations	**14,651.78**	**12,171.39**	**14,186.82**	**11,574.03**
Other income	290.91	**279.66**	293.32	279.62
Total Income	**14,942.69**	**1251.05**	**14,480.14**	**11853.64**
Total expenses	**13,850.35**	**12286.97**	**13,190.09**	**11,526.77**
Profit before tax	**1,092.34**	**164.08**	**1,290.05**	**326.87**
Income tax expense	264.25	64.19	337.74	84.50
Profit after tax	**828.09**	**99.89**	**952.31**	**242.37**
Other comprehensive income	**10.22**	35.34	0.15	**14.54**
Total comprehensive income	**838.31**	**135.23**	**952.46**	**256.91**

Financial Overview

During the current financial year On Consolidated basis, your Company has registered a total income of Rs. 14,942.69 millions, a growth of 19.97 % as compared to the previous year. The profit after tax was Rs. 828.09 millions as against the Profit of Rs 99.89 millions as reported in the previous year.

On Standalone basis, your Company has registered a total income of Rs. 14,480.14 millions, a growth of 22.15% as compared to the previous year. The profit after tax was Rs 952.31 millions as against the Profit of Rs. 242.37 millions as reported in the previous year.

Business Highlights

The Company offers its services through a combination of scientific talent, state of the art R&D and manufacturing infrastructure, high level commitment to safety & environment and compliant CGMP quality systems accredited by global regulatory agencies such as USFDA and PMDA. The large and growing addressable market for the small molecules together with the Company's proven capability in this space is expected to fuel the Company's growth in the near future.

Sai Life Sciences strengthens discovery leadership

Sai Life Sciences, a leading global contract research, development, and manufacturing organization, announces the addition of two seasoned professionals to its leadership team.

Dr Atul Tiwari joins as Vice President – Discovery Strategy & Business, while Dr Santosh Kulkarni takes on the role of Vice President – Medicinal Chemistry. Their wealth of experience promises to drive Sai Life Sciences to new heights in drug discovery and development.

Atul will lead strategy for Integrated Drug Discovery (IDD) programs and will develop short- and long-term strategies for business growth apart from establishing new collaborations and interfacing with clients. A PhD in Biochemistry from NDRI, Karnal, Atul brings nearly 24 years of experience in drug discovery and development working across diverse therapeutic areas such as Oncology, Immuno-oncology, Metabolic Disorders CNS, Autoimmune disorders, and rare indications, from target ID/validation to clinical candidate, and drug modalities- small molecules; PROTACs; antibodies; ADCs; Oligonucleotides; Cell Therapies (iPSCs).

Santosh will be leading the medicinal chemistry team in discovery services. Holding a PhD in Chemistry from ICT (formerly UDCT) and with post-doctoral research experience at the National Institutes of Health (NIH), Santosh has over two decades of expertise in drug discovery. His expertise spans various modalities, including small molecules, PROTACs, ADCs, and peptides. He has worked with cross-functional teams in collaborations with Biology, PRD, Formulation, Chemical Development and Manufacturing to lead integrated drug discovery programs from early hit discovery to candidate nomination and further towards development in clinical phases.

In recent years, Sai's discovery services have been witnessing a steep growth and the addition of Dr Atul Tiwari and Dr Santosh Kulkarni to Sai Life Sciences' leadership team will fortify the organization's capabilities in medicinal chemistry and discovery strategy. The company looks forward to achieving new milestones and fostering collaborative efforts that will shape the future of pharmaceutical advancements.

Sai Life Sciences releases its Sustainability Report 2023

Sai Life Sciences, a leading global Contract Research, Development & Manufacturing Organization (CRO/ CDMO), released its Sustainability Report 2022-2023. Developed in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 framework, the fourth edition of the Sustainability report is based on the theme 'Steadfast on Sustainability,' and it articulates the company's commitment to sustainability and the journey so far. Read the full report here.

Making this announcement, Krishna Kanumuri, CEO & Managing Director, stated, "I am delighted to present our fourth successive Sustainability Report, reflecting our commitment to the sustainability journey and to conduct our business responsibly. In 2023, we reset our Sustainable Development Goals to attain specific Environmental, Social, and Governance (ESG) targets by March 31, 2027. The learnings and insights gleaned from our previous experience have shaped our SDGs for this phase, reflecting confidence in our ability to strive for and achieve more ambitious targets."

The fourth report released by Sai Life Sciences highlights significant progress in various areas:

Environmental:

Joined the Science Based Targets initiative (SBTi), a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science. Accordingly, the company has committed to set near-term company-wide emission reductions in line with climate science with the SBTi.

Joined the Sustainable Markets Initiative (SMI) of Manufacture 2030, fostering collaboration with the company's pharma partners to implement tangible measures for decarbonizing healthcare supply chains.

Social:

Strengthened the company's commitment to social accountability through the implementation of robust policies addressing labor and human rights. Nurtured an agile workforce by embracing diversity across age and gender at all management levels, with dedicated efforts toward empowering women throughout the organization.

Governance:

Established the 'Sustainability Governance Council' to seamlessly integrate sustainability matters into the company's business strategy and oversee the effective enforcement of the sustainability mandate.

This report underscores the company's dedication to sustainability and exemplifies the progress made, reinforcing Sai Life Sciences' position as a frontrunner in the pursuit of environmentally conscious and socially responsible business practices.

Sai Life Sciences augments DMPK capabilities to ace large-scale collaborations

To offer global big pharma clients cutting-edge, end-to-end drug metabolism and pharmacokinetics (DMPK) services, Sai Life Sciences, a global Contract Research, Development & Manufacturing Organization (CRO-CDMO), has expanded its DMPK capabilities. The expansion comprises the addition of 25,000 sq. ft. of state-of-the-art labs equipped with cutting-edge instrumentation enabling high-end automation. Complementing the expansion has been the hiring of rich talent globally resulting in nearly 3x growth of the team size.

Making the announcement, Krishna Kanumuri, CEO & Managing Director, Sai Life Sciences, said, "The focus of innovator companies on diversifying their supply chains bodes well for Indian CROs-CDMOs like ours. This expansion in our DMPK capabilities demonstrates our commitment and appetite for large, complex programs and our readiness to offer world-class DMPK services at scale."

The current expansion strengthens the company's ongoing commitment to its clients for providing high-quality data and industry-leading turnaround time for absorption, distribution, metabolism, and excretion (ADME) screening and pharmacokinetics (PK) studies.

Key highlights:

In vitro ADME: A centralized lab design where assays are performed using automation in consolidated lab space to increase speed, throughput and quality.

In vivo Pharmacokinetics: Expanded space for animal holding; procedure and surgical rooms for supporting rodent PK studies; formulation screening and mass balance/tissue distribution studies.

Bioanalytical: State-of-the-art infrastructure for supporting bioanalysis of samples at higher sensitivity and faster turnaround time; In vitro and In vivo Metabolite identification (Met ID) studies enabled.

Toxicology: Space expansion with dedicated necropsy rooms, and safety hoods to perform non-GLP in vitro safety and in vivo tox studies supported by immunohistochemistry and toxicokinetic (TK) analyses. Additional efforts on alternative in vitro approaches to animal models are underway.

Ion-channel physiology and safety pharmacology: Dedicated lab for manual patch-clamp setup for supporting cardiotoxicity profiling and for any ion-channel-based research.

The DMPK team at Sai Life Sciences has experience of working with over 80 clients across the USA and UK supporting diverse drug discovery programs for various drug modalities- small molecules, PROTACs, molecular glues and peptides. Even as Sai Life Sciences announces expansion of its DMPK capabilities, the expansion of its Vivarium for supporting animal efficacy, PK-PD and safety studies is underway which is expected to be ready by the end of this quarter. Sai Life Sciences also has plans to invest in niche areas such as peptides, oligos and large molecules to strengthen its discovery capabilities.

Sai Life Sciences wins Gold in Brandon Hall Group's Excellence in Technology Awards

Sai Life Sciences won Gold in Brandon Hall Group's Excellence in Technology Awards in the 'Best Advance in Content Authoring Technology' category.

Sai Life Sciences was recognized for the use of UL Create Tool, an easy-to-use, cloud-based authoring tool from UL Solutions, for making the learning process seamless and effective for all. The company utilized UL Create Tool to author adaptive learning content incorporating a combination of text, image, voice-over, technical videos, and animated audio-visuals to increase the effectiveness of training modules offered on its Cloud-based Learning Management System (LMS), Sai Gurukul.

"We have been recognized for our innovative L&D approach of leveraging technological tools to make learning more effective. We have been able to go beyond the traditional 'read and understood' training format to create richer content that makes training more interesting and impactful. We will continue to deploy technology to make L&D experience more engaging," Damodharen M, Chief Quality Officer, Quality Assurance, Sai Life Sciences said.

This is the second time that Sai Life Sciences has bagged an award from Brandon Hall Group. In 2021, Sai Life Sciences won the Gold Award in Brandon Hall Group Excellence Awards under the 'Best Advance in Learning Technology Implementation' category.

The 2023 Brandon Hall Group Excellence in Awards were given for work in learning and development (L&D), talent management, talent acquisition, human resources, sales enablement, future of work, and education technology.

Sai Life Sciences enters its Silver Jubilee year; surpasses vision of 25 commercial molecules by 2025

Sai Life Sciences entered its Silver Jubilee year with aplomb, surpassing its vision of supporting global innovator partners in bringing 25 new medicines to market by 2025. The company crossed this milestone two years ahead of schedule and is poised to sustain this momentum on the back of a strong portfolio of molecules at various stages of clinical development.

Marking the entry into its 25th year, the Chairman Dr. K. Ranga Raju and members of the senior management inaugurated multiple new laboratories and facilities, and a grand new entrance to its 12-acre integrated R&D campus in Hyderabad. Notable among the new laboratories were a doubling of its DMPK footprint and a sizeable expansion of analytical R&D capacity for its Discovery Chemistry services.

The occasion also formally concluded the company's Sai Nxt initiative, which witnessed strategic investments of over US$130 million during 2019-2023, enabling the company to augment capacity, scale up operations, expand into new geographies, grow the scientific talent base, and raise the overall bar for quality, compliance, and performance.

The company has announced a series of initiatives as part of its 25th year celebrations culminating in August 2024, to commemorate the company's journey, acknowledge contributions of various individuals, and engage all its stakeholders in charting a collective future.

Sai Life Sciences joins Science Based Targets initiative (SBTi), commits to fight climate change with Science

To help combat climate change, Sai Life Sciences, a global Contract Research, Development & Manufacturing Organization (CRO-CDMO), announced joining Science Based Targets initiative (SBTi), a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science.

Accordingly, it has committed to set near-term company-wide emission reductions in line with climate science with the SBTi. These are 5-10-year GHG (Greenhouse gas) mitigation targets in accordance with the Paris Agreement's aim to limit global temperature rise to 1.5°C to avoid the catastrophic impacts of climate change.

Joining the SBTi will enable Sai Life Sciences to set targets, assess progress and calibrate actions to meet its goals in a time-bound manner. It will allow the company the opportunity to learn from SBTi's rich experience of helping its member companies drive change and create impact on ground.

Earlier this month, on the World Environment Day, Sai Life Sciences announced its renewed Sustainable Development Goals (SDG) that chart out its roadmap to achieve specific environmental, social and governance (ESG) targets by the year ending March 31, 2027. As part of the SDGs, the company has committed to reduce specific greenhouse gas emissions by 30% and replace 70% of its energy requirement with renewable sources. Previously, as part of it first edition of SDGs for the period 2019 to 2022, the company exceeded its targets in areas such as the utilization of renewable energy, recycling of hazardous waste and reduction in greenhouse gas emissions, despite significantly expanding its operations.

In recent years, Sai Life Sciences has made significant investments and progress in advancing its Sustainability agenda as part of its organizational transformation initiative, Sai Nxt. Some of the notable highlights:

Became the first India-headquartered company to join the PSCI membership. Joined ACS Green Chemistry Institute Pharmaceutical Roundtable (ACS-GCIPR) as an 'Associate Member'.
Publishing annual sustainability reports since 2020.

Won several prestigious awards for excellence in EHS practices and energy management.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134(3) of the Companies Act, 2013, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are provided in the **Annexure 'A'** forming part of this Report.

Employees' Stock Option Plan

Information regarding the Employees' Stock Option Plan is enclosed in **Annexure 'B'** forming part of the Annual Report.

Dividend

The Board of Directors did not recommend any final dividend for the financial year ended 31st March 2024.

Reserves

There is no amount proposed to be transferred to reserves for Financial Year 2023-24.

Insurance

The properties and assets of your company are adequately insured.

Fixed Deposits

The Company had not accepted or invited any Deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 and rules made and consequently no Deposit has matured/ become due for re-payment as on 31st March, 2024.

Change in Capital Structure

The total share capital consisting of Equity and Preference Capital of the Company has been increased from Rs. 18,49,30,360 to Rs 18,53,35,140. during the year under review, pursuant to

1. Allotment of 40,478 equity shares of Rs.10/- each on exercising of options under the ESOP Scheme of the Company.

Hence the total paid up share capital of company (Equity and Preference) as on 31st March, 2024 is Rs. 18,53,35,140.

Health, Safety & Environment (HSE)

At Sai, we consider Health, Safety and Environment (HSE) as an integral part of long-term business strategy and a driver for sustainable growth. We strive to ensure that our facilities are safe by design and are committed to protecting the environment and actively seek to identify means of minimizing water use, energy use, greenhouse gas emissions & waste generation.

Our R&D and manufacturing facility in India is certified for ISO 14001 – Environment management system standard and ISO 45001 – Occupational health & safety system standards ensuring our facility follows highest standard of HSE systems. The manufacturing facility is also certified for ISO 50001, Energy management standards driving the energy conservation efforts. With continuing investment on building environment and safe practices, we have established state of the art wastewater treatment facilities, containment capabilities, process safety, fire protection and emergency management at site. The implementation of these has ensured that we improve our environmental & safety performance through:

- Adherence to compliance requirement
- Water recycling & reuse
- Responsible disposal of waste diverting from landfills
- Reducing our energy consumption and emissions.
- Process safety studies and risk assessment
- Equipment validation and personnel exposure monitoring
- Reduction of safety incidents

Our efforts to build safe and environment friendly facilities were recognized through 5-star rating for EHS Excellence by CII, National award for Energy excellence by CII and GSK's Environmental Sustainability Supplier award.

Sustainability:
Sustainability is an integral part of our business and decision-making framework. We are committed to conduct business in a way that it creates positive impact on all our stakeholders and the environment at large. We renewed our Sustainable Development Goals (SDG) charting out the roadmap to achieve specific environmental, social and governance (ESG) targets by the financial year ending March 31, 2027. We have joined the Science Based Targets initiative (SBTi), a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science. Accordingly, we have committed to set near-term company-wide emission reductions in line with climate science with the SBTi.

To drive our sustainability agenda, we became signatory to Ten principles of United Nation Global Compact (UNGC) on human rights, labour, environment, and anti-corruption reinforcing the company's commitment to corporate responsibility and sustainability. We have strengthened our company's commitment to social accountability through the implementation of robust policies addressing labour and human rights.

The performances and initiatives against the three pillars of sustainability i.e., Environment, Social and Economic are highlighted in our Sustainability Report (latest being report of FY 2023) published annually. Our association with Pharmaceutical Supply Chain Initiatives (PSCI) as a member is helping us leverage the industry standards and best practices in the areas of sustainability. Our efforts towards improving sustainability practices are rewarded in EcoVadis assessment, the world's most trusted business sustainability rating where we achieved and sustained silver medal this year.

On every front, be it water management, cutting down on the usage of traditional modes of energy and replacing it with renewable sources, or increasing the Diversity, Equity and Inclusion (DEI) quotient at our workplaces, we are pushing the envelope to make the overall journey of drug discovery and development integrated with sustainability. We further intend to exemplify our sustainability progress and reinforce Sai Life Sciences' position as a frontrunner in the pursuit of environmentally conscious and socially responsible business practices.

Directors and Key Managerial Personnel during the year

At the year ended 31st March, 2024, your Company had a total of seven Board of Directors, out of them two member were Independent Directors. As on the date of this report, your Company has seven Board of Directors.

In order to comply with Section 152 of the Companies Act 2013, Dr K Ranga Raju (DIN:00043186) and Mr. K Krishnam Raju (Din: 00064614), Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment and your Directors recommend their re-appointment.

During the year, Dr K Ranga Raju (DIN:00043186) was re-appointed as a Whole-time Director of the company from August 01, 2023 to July 31, 2028. The Board had appointed Ms. Manjusha Ambadas Joshi (DIN: 08616508) as the Additional Director in the category of Non-Executive & Independent Director with effect from June 09, 2023 and was regularized as Independent Director- Woman Category at the Shareholders' Meeting held on 7th September, 2023 for 5 (Five) years effective from the date of appointment by the Board.

In terms of Section 149 read with Section 152 of the Companies Act 2013, Mr. Rajagopal Srirama Tatta and Ms. Manjusha Ambadas Joshi as Independent Directors on the Board of the Company have confirmed their independence in terms of the requirements of the Companies Act, 2013.

Other than the above, there were no changes in the Board of Directors and Key Managerial Person (KMP) during the FY 2023-24.

Declaration of Independence by Independent Directors

The Company has received necessary declarations from the Independent Directors as required under Section 149(7) of the Act stating that he meets the criteria of independence as provided in sub-section (6) of the said Section and also Rule 6 of the Co. (Appointment and Qualification of Directors) Rules 2014.

Registration of Independent Director in Independent Directors Databank

The Independent Directors of your Company have been registered for a period of 5 years and a member of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

Confirmation from the Board

The Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and also confirmed that he fulfill the independence criteria as specified under section 149(6) of the Act and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors is a person of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and is Independent of the Management.

Opinion of the Board

The Board opines that the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by Companies Act, 2013.

Meeting of Independent Directors

During the year under review, one meeting of the Independent Directors was held on 4th August , 2023 without the presence of Executive Directors, Non-Independent Directors and management personnel and other members of management.

Statutory Auditors

M/s Deloitte Haskins & Sells LLP (117366W/W-100018) had been appointed as the Statutory Auditors of the Company for the FY 2018 to 2023 and completed one term of five consecutive years as Auditors under the Companies Act 2013. M/s. Deloitte Haskins & Sells, LLP have consented to their appointment as the Statutory Auditors and have confirmed that the appointment would be within the limits specified in the Section 139(1) of the Companies Act, 2013. Further, they had confirmed that they are not disqualified from being appointed as Auditors under the Companies Act, 2013 and during the year, re-appointed for the second consecutive term of five years, from the conclusion of 25th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company for FY 2023 to 2028 at the Shareholders' Meeting held on 7th September, 2023.

Reporting of frauds by Auditors

During the year under review, there have been no instances of fraud reported by the Auditors pursuant to Section 143(12) of the Act and the Rules made thereunder to the Audit Committee of the Board.

Audit Reports

Report of the Statutory Auditors on the financial statements for the year does not contain any qualification, reservation or adverse remark or disclaimer; or reporting of any offence or fraud.

Particulars of Employees

Under the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and particulars of employees are set out in the annexure to the Director's Report. However, in terms of the provisions the Director's Report is being sent to all the shareholders of the Company excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered office of the Company.

Subsidiary/Joint ventures/Associate companies and their performance

Company do not have any Joint Venture and Associates and the details of Subsidiary Companies are given below:

Wholly Owned Subsidiary Companies (WOS):

Sai Life Sciences Inc

Sai Life Sciences Inc., USA recorded a turnover of US $ 11.91 millions for the year ended 31st March, 2024 as against US $ 13.03 millions for the year ended 31st March 2023.

The Company registered a net loss of US $ (1.82) millions for the year ended 31st March, 2024 as compared to a net loss of US $ (1.58) millions in the previous year.

Sai Life Pharma Private Limited

Sai Life Pharma Private Limited recorded a turnover of Rs. 18.30 millions for the year ended 31st March, 2024 as against Rs. 1.35 millions in the previous year.
The Company registered a net profit of Rs. 0.35 millions for the year ended 31st March, 2024 as compared to a net loss of Rs. (0.19) millions in the previous year.

Sai Life Sciences GmbH

Sai Life Sciences GmbH recorded a turnover of Euro 0.45 millions for the year ended 31st March, 2024 as against Euro 0.37 millions in the previous year.

The Company registered a net profit of Euro 0.04 millions for the year ended 31st March, 2024 as compared to a net loss of Euro (0.21) millions in the previous year.

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014 report on performance and financial position of subsidiaries is attached as per **Annexure 'C'** which forms part of this report.

Consolidated Financial Statements

The consolidated financial statements for the year ended 31st March 2024 of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs ('MCA'). The Auditors' Report on the consolidated financial statement is also attached.

Directors' Responsibility Statement as required under Section 134(5) of the Companies Act, 2013

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your directors hereby confirm that:

a) In the preparation of the annual accounts for the financial year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, wherever applicable;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;

c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The directors have prepared the annual accounts for the financial year ended 31st March, 2024 has been prepared on a 'going concern' basis;
e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Loans, Guarantees and Investments under Section 186

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 Of Companies (Accounts) Rules, 2014, your Company has engaged the services of M/s PricewaterhouseCoopers Services, LLP, Chartered Accountants, Hyderabad to conduct the Internal audit of the Company for the financial year ended 31st March, 2024.

Reporting of Head of Internal Audit is to the Chairman of the Audit, Risk and Compliance Committee and administratively to the Chief Financial Officer. Head of Internal Audit has regular and exclusive meetings with the Audit Committee.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has engaged the services of DSMR & Associates, Company Secretaries in Practice, Hyderabad to conduct the secretarial audit of the Company for the financial year ended 31st March, 2024. The Report of the Secretarial Audit in MR-3 is annexed as **Annexure 'D'.**

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their report for year ended 31st March, 2024.

Whistle Blower Policy

The Company has constituted a Whistle Blower Policy to report significant non- compliance with the Company's Code of Conduct.

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules and Code of Conduct, demanding and /or accepting gratification, obtaining a valuable thing without or inadequate consideration from a person with whom he has or may have official dealings, obtaining for self or any other person pecuniary benefits by corrupt or illegal means.

Compliance with Secretarial Standards on Board and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Extract of Annual Return

Under Section 92(3) of the Companies Act, 2013, every company shall place a copy of the annual return on the website of the Company, if any, and the web-link of such annual return shall be disclosed in the Board's report is submitted by the Companies (Amendment) Act, 2017 effective from 28th August, 2020. https://www.sailife.com/compliance/

Particulars of Contracts or arrangements made with Related Parties

Particulars of Contracts or arrangements made with Related Parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended in **Annexure 'E'** to this report.

Number of Meetings of the Board

The Board meets at regular intervals to discuss business plan and strategies. The notice of Board meeting is given well in advance to all the Directors.

The Board of Directors duly met 6 (Six) times during the Financial year under review and there was 4 (Four) Audit Committee, 5 (Five) Nomination and Remuneration Committee and 3 (Three) CSR committee meetings and One(1) Share Transfer Committee Meeting held during the year under review. The dates on which the meetings were held are as follows:

Type of Meeting	Date of Meeting
Board Meeting	19th May, 2023, 9th June, 2023, 4th August, 2023 9th August, 2023, 7th December, 2023, 20th February, 2024
Audit Committee	19th May, 2023, 4th August, 2023 9th August, 2023, 20th February, 2024

Nomination & Remuneration Committee	19th May, 2023, 9th June, 2023, 4th August, 2023 7th December, 2023, 20th February, 2024
Corporate Social Responsibility Committee	19th May, 2023, 4th August, 2023 20th February, 2024.
Share Transfer Committee	20th February, 2024

Attendance of Directors in the Board and Committee meetings are as follows:

S.No.	Name of Director	Number of Board meetings attended	Number of Committees meetings attended			
			Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility (CSR) Committee	Share Transfer committee
1	Dr. K Ranga Raju	5	-	-	-	-
2	K Krishnam Raju	5	2	4	3	1
3	Dr. Raju A Penmasta	4	-	-	-	-
4	Rajagopal Srirama Tatta	6	4	5	3	1
5	Manjusha Ambadas Joshi	4	3	3	2	-
6	Puneet Bhatia	1	-	1	0	-
7	Mitesh Daga	6	2	-	-	1

The maximum interval between any two board meetings was well within the maximum allowed gap of 120 days.

Policy on appointment and remuneration of Directors

The Company has constituted a Nomination and Remuneration Committee and for determining the qualification, positive attributes and Independence Criteria of Directors. The Nomination and Remuneration Committee has recommended to the Board a policy relating to the remuneration.
The following are the roles and responsibility of nomination and remuneration committee:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

- Carry out evaluation of every director’s performance

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

Your Company has properly constituted the Nomination and Remuneration Committee u/s 178 of the Companies Act, 2013 and due to change of the Committee member was re-constituted w.e.f. June 9, 2023 as follows:

1	Rajagopal S Tatta	Chairman
2	K Krishnam Raju	Member
3	Manjusha Ambadas Joshi	Member
4	Puneet Bhatia	Member

Share Transfer Committee held on 20th February, 2024 has the following composition:

1	K Krishnam Raju	Chairman
2	Raju A Penmasta	Member
3	Mitesh Daga	Member

Risk Management Policy

The Company has devised and implemented a mechanism for risk management and has developed Risk Management Policy. The Policy provides for constitution of a Risk Committee, which will work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps.

Policy on Sexual Harassment

The Company has constituted a Sexual Harassment Policy to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

Your Company has properly constituted the Corporate Social Responsibility (CSR) Committee u/s 135 of the Companies Act, 2013 and due to change of the Committee member was re-constituted w.e.f. June 9, 2023 as follows:

1	Rajagopal S Tatta	Chairman
2	K Krishnam Raju	Member
3	Puneet Bhatia	Member
4	Manjusha Ambadas Joshi	Member

The CSR Committee has formulated the Corporate Social Responsibility Policy to accept the various activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and the related activities thereto in and around areas across the states where Company's operating units were situated.

Your Company has always been a responsible corporate citizen with many projects being undertaken on a regular basis. Your Company has taken the responsibility to make the Community that it operates a better place to live and work. A report on the CSR activities undertaken by the Company is given in **Annexure 'F'.**

Vigil Mechanism

In pursuant to the provisions of Section 177 of the companies Act, 2013, a Vigil mechanism for directors and employees to report genuine concerns is in place. The Vigil Mechanism Policy has been uploaded on the website of the Company.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of their own, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Cost Audit

Central Government has notified rules for Cost Audit and as per new Companies (Cost Records and Audit) Rules, 2014 issued by Ministry of Corporate Affairs. Your Company is not falling under the industries which will be subject to Cost Audit. Therefore, filing of cost audit report for the FY 2023-24 is not applicable to the Company. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013, the prescribed cost records have been made and maintained by the Company.

Green Initiative

As part of the "Green Initiative for Corporate Governance", the Government has allowed companies to send notices and documents to their shareholders electronically to facilitate paperless communication. This will ensure prompt communication and avoid loss of documents in transit.

Audit committee

Your Company has properly constituted the Audit Committee u/s 177 of the Companies Act, 2013 and due to change of the Committee member was re-constituted w.e.f. June 9, 2023 as follows:

1	Rajagopal S Tatta	Chairman
2	Manjusha Ambadas Joshi	Member
3	Mitesh Daga	Member

Internal control systems

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and the reviews performed by Top Management team and the Audit Committee, your Directors are of the opinion that your Company's Internal Financial Controls were adequate and effective during the financial year 2023-24.

Further, the Statutory Auditors of your Company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended March 31, 2024, which forms part to the Statutory Auditors Report.

Details of material changes and commitment occurred during period affecting financial position of company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

During the financial year 2023-24, there were no material changes and commitment affecting the financial position of company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;.

Details of changes in nature of Business of the Company

During the financial year 2023-24, there were no change in the nature of Business of the company.

Details of significant material orders passed by courts/tribunal impacting the going concern status of the Company

During the financial year 2023-24, there were no orders passed by the courts/tribunal impacting the going concern status of the company.

Human Resource Development

In line with your company's philosophy of investing in the development of its most precious asset of human capital, the company ensures that the right person is selected for the right job at the right time. The company is well aware of the significance of quality and competence of its workforce in driving the growth of its business.
Your company's strength of employees measures to 2736 in India and 112 in abroad as on 31st March, 2024.

Cautionary Note

Certain statements in the reports of the Board of Directors may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied since company's operations are influenced by many external and internal factors beyond the control of the company. The company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

Quality Assurance (QA)

Sai has established Quality Systems as per the Regulatory Requirements in every phase of Drug Development, Manufacture and Supply. The Quality System at Sai have been designed to meet the Global Quality Standards (US/EU/Japan) for various stages of Drug Development and final APIs (NCEs/Generics).

At Sai, we ensure quality through a robust governance framework encompassing our facilities, people, procedures, and our value system that emphasizes on integrity and continuous improvement. Our quality improvement program is a disciplined approach to performance management that includes organizational Strategic Planning, Performance Management and Accountability, operational/business planning and performance, and focused quality improvement efforts.

Quality Assurance has been imperative in implementing Phase appropriate GMP for all the molecules, electronic systems such as GMP Pro, Audit Management System, Laboratory Information Management System (LIMS), Learning Management System (LMS), QR Code & Label Management etc.,

Employee Relations

Your Company continues to have cordial and harmonious relationship with the employees.

Details of application made or any preceding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY along with the current status

During the year under review, the Company has not made any application or any preceding not pending under the Insolvency and Bankruptcy Code, 2016 and not applicable to the company

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

During the year under review, no transactions was recorded and not applicable to the company

Gratitude and Acknowledgement

The directors would like to place on record their appreciation for the contribution made by the employees to the significant growth of the Company. The trust reposed in your company by its esteemed customers helped stabilized growth during the year under review.

Your Company also acknowledges the support and wise counsel received from State Bank of India and other banks & governmental Agencies during the year under review and it looks forward for such continuing support to enhance its goals.

For and on behalf of the Board of Directors

	Dr. K Ranga Raju	**K Krishnam Raju**
Place: Hyderabad	Chairman	Managing Director
Date: May 21, 2024	DIN: 00043186	DIN: 00064614

ANNEXURE –A

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

Your Company continued periodical auditing of all the installations internally to find new opportunities for reducing the wastage of electrical energy.

(I)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

FORM –A

Form for disclosure of particulars with respect to conservation of energy:

A. Power and Fuel Consumption:

S.no	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
1	Electricity		
	a) Purchased		
	Units (KWH)	4,46,84,512	3,91,36,259
	Total amount (Rs)	36,66,97,045	33,56,88,014
	Rate per unit - (Rs)	8.20	9
	(b) Own generation		
	Through diesel generator		
	Units (No's)	6,93,454	6,80,677
	Units per Ltr.of oil	3	3
	Cost/Unit (Rs)	92	95
2	Coal		
	Quantity (tonnes)	6,721	5,464
	Total Cost (Rs)	6,51,40,678	5,32,99,975
	Average rate per tonne (Rs)	9,692	9,755
3	Furnace Oil		
	Quantity –KL	231	190
	Total cost (Rs)	1,12,37,032	96,97,852
	Average rate per KL(Rs)	48,645	51,112

B. Consumption per Unit of Production

Products Electricity(Units) Coal Others(Specify)	Since the company manufactures different types of active pharmaceutical ingredients and intermediates, R&D Services and Custom Synthesis it is not practicable to give consumption per unit of production

FORM- B
Form of disclosure of particulars with respect to Technology Absorption.

A. Research and Development Activities

Specific areas in Research & Development carried out by the Company

SAI has been one of Asia's leading integrated service providers in the areas of drug discovery. SAI's expertise include Medicinal Chemistry, Pharmacokinetics - absorption, distribution, metabolism, elimination (PK-ADME), Tox studies and Combi-chem Library synthesis.

From being a consultancy service provider with maturing capabilities, SAI's Research and Development ('R&D') activities are now being realigned to carry out early discovery, process optimization, API (Active Pharmaceutical Ingredient) manufacture and formulation development.

While SAI's focal point would be the Process R&D and scale-up; pre-formulation and formulation development for New Chemical Entity ('NCE') and generic compounds to Pharma and innovator companies around the world, SAI is equally focusing on development of API (Active Pharmaceutical Ingredient), Drug Master Filings and technology for innovative drug products for the Indian and emerging markets. In-line with its vision, SAI is heading towards foreign collaboration for its R&D initiatives.

The Unit-2 facility at ICICI Knowledge Park, Shameerpet and Unit -4 facility at Bidar were inspected by FDA and declared to be acceptable.

Presently, SAI has four R&D centers and Manufacturing Facilities spread across Telangana and Karnataka whose details are as under:

1. DS-7, IKP, Phase-I, Turakapally Village, Shameerpet, Ranga Reddy District, Telangana
2. S.No.296/7/3 & 4, Industrial Development Area, Bollaram, Jinnaram Mandal, Medak District, Telangana.
3. 79B, 80A, 80 B, 82 & 81 A, Kolhar Industrial Area, Bidar, Karnataka.
4. Plot No 136A, B and 137, Kolhar Industrial Area, Bidar - 585403, Karnataka.

Benefits Derived as a result of the above R&D are:

- Improved business opportunities
- Creation of Intellectual Property
- Continued customer acceptance and satisfaction
- Business opportunities for the Indian and emerging markets
- Focus on the long term vision and growth of the Company
- To help our partners develop innovative medicines quicker and at lower cost by providing reliable research and manufacturing solutions
- Encourages innovation

- Low cost solutions for unmet medical needs for emerging economies
- Enhanced valuation of the organization
- Future Plan of Action
- End-to-end customer support (for their business needs) would continue to be the focal point of R&D
- Continue to focus on business opportunities and implementing differentiated strategies to build customer base and pipeline
- Creation of innovative and efficient processes to enhance and sustain the business growth
- Transformation of R&D activities into a self-sustaining growth engine for the organization
- Aggressive strategy to enable global expansions in key emerging markets

Expenditure on Research & Development

(in Rs. millions)

Financial Year	Capital expenditure	Revenue expenditure	Total
2023-24	0	0	**0**
2022-23	0	0	**0**

During the year no expenditure was incurred on scientific research and development.

B. Technology Absorption, Adaptation and Innovation

Efforts, in brief, made towards technology absorption and adoption	The Company has an R&D division engaged in research of new products & Process development of existing products. The Company has developed indigenous technology in respect of the products manufactured by it. As soon as the technology is developed for a product, it is tested in pilot plant and thereafter commercial production is taken up. It is the philosophy of the Company to continuously upgrade the technology.
Benefits derived as a result of the above	- Quality Improvement - Cost reduction - Better production process, better yields
Imported technology:	There is no imported technology
Expenditure on Research & Development	NIL

FORM C

Foreign Exchange Earnings and Outgo	**(Amount Rs. in millions)**
Foreign Exchange Earnings	
Export of goods and services	13921.06
Foreign Exchange Outgo	
CIF Value of Imports	2,317.61
Foreign Travel and others	11,698.59

ANNEXURE B

Employee Stock Option Schemes

The Company instituted the Employee Stock Option Scheme (ESOS) in the year 2004 to enable the employees and the directors of the company and its subsidiaries to participate in the future growth and financial success of the Company.

Options granted in the year 2004 scheme will vest at the end of 3 years from the date of grant. The vested options can be exercised by the employee during his term of employment with the Company.

Options granted in the year 2005, 2006 and 2007 scheme will vest in a graded manner i.e. 60% of the options will vest at the end of 3 years from the date of grant and balance 40% of the options will vest at the end of 5 years from the date of grant. The vested options can be exercised by the employee during his term of employment with the Company.

Options granted in the year 2008 scheme will vest in a graded manner i.e 50% of the options will vest at the end of 2 years from the date of grant and balance 50% of the options will vest at the end of 4 years from the date of grant. The vested options can be exercised by the employee during his term of employment with the Company. Under this scheme the company granted additional ESOP in the year 2018. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

The Company has established a plan "Management ESOP plan 2018" in the year 2018. The Stock options granted shall vest 20% every year from the date of grant for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company. The Management ESOP plan 2018 was further modified on 19th June, 2023.

The particulars of the options granted and outstanding upto 31st March, 2024 are as under:

Particulars	# Options
No. of Options Granted	28,47,531
No. of Options Vested	4,05,750
No. of Options Exercised	4,77,324
No. of Options Lapsed	5,35,466
No. of Options in force	7,30,003
No. of shares arising as a result of exercise of options	7,30,003
No. of employees who are granted equal to /more than 1% of the issued capital	Nil
No. of employees who were granted equal to/more than 5% of the issued capital	Nil

For and on behalf of the Board of Directors

Dr. K Ranga Raju
Chairman
DIN: 00043186

Place: Hyderabad
Date: May 21, 2024

ANNEXURE C

Form AOC – 1

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

Statement containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(in Rs. in Millions)

Sl. No		1	2	3
1	Name of the Subsidiary Company	Sai Life Sciences Inc.	Sai Life Pharma Private Limited	Sai Life Sciences GmbH
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil	Nil	Nil
3	Date of Investment in Subsidiary	10 August, 2004	25 October, 2019	6 December, 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiary	1 USD = INR 83.41 (BS) 1 USD = INR 82.80 (P&L)	N.A.	1 Euro = INR 89.88 (BS) 1 Euro = INR 89.81 (P&L)
5	Share Capital	13.55	115.10	2.11
6	Reserves & Surplus	303.26	(1.69)	(16.37)
7	Total Assets	1,273.09	121.30	20.74
8	Total Liabilities	1,273.09	121.30	20.74
9	Investments	Nil	Nil	Nil
10	Turnover	986.48	18.30	40.51
11	Profit before Taxation	(201.88)	0.47	3.38
12	Provision for Taxation	(51.28)	0.12	-
13	Profit / Loss after Taxation	(150.60)	0.35	3.38
14	Proposed Dividend	Nil	Nil	Nil
15	% of Shareholding	100.00	100.00	100.00

Notes:

1. **Names of subsidiaries which are yet to commence operations:** Nil
2. **Names of subsidiaries which have been liquidated or sold during the year:** Nil

Part "B": Associates & Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	**Name 1**
1. Latest audited Balance Sheet Date	-
2. Date on which the Associate or Joint Venture was associated or acquired	-
3. Shares of Associate or Joint Ventures held by the company on the year end	-
Amount of Investment in Associates or Joint Venture	-
Extent of Holding (in percentage)	-
4. Description of how there is significant influence	-
5. Reason why the associate/joint venture is not consolidated	-
6. Networth attributable to shareholding as per latest audited Balance Sheet	-
7. Profit or Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of
M/s Deloitte Haskins & Sells LLP
Chartered Accountants
Sd/-
Sathya P. Koushik
Partner
Membership No: 206920

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

K Ranga Raju
Chairman
DIN: 00043186

K Krishnam Raju
Managing Director
DIN: 00064614

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary

Place: Hyderabad
Date: May 21, 2024

ANNEXURE D

SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SAI LIFE SCIENCES LIMITED,
Plot No. Ds-7, IKP Knowledge Park,
Turkapally Shameerpet Mandal, Medchal,
Hyderabad, Telangana- 500078

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAI LIFE SCIENCESLIMITED** bearing CIN: U24110TG1999PLC030970 (hereinafter called **"the Company"**).

The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.
Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and declarations made by the Company, its officers, agents, and authorized representatives during the conduct of Secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 and made available to me, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder to the extent applicable, Except the following-

- Form MR-1 for return of appointment of managerial personnel was submitted after the due date and

- Form BEN-2 for change in Significant Beneficial Ownership under section 90 were filed beyond the due date.

ii. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

iii. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India Except-

- *The company has not provided details as per Secretarial Standard (SS-2) in respect of appointment/Re-appointment of Directors in the explanatory Statement of 24th AGM relating to appointment of Directors.*

iv. The Company is engaged in the business of contract research and manufacturing services of drugs. Accordingly, some of the following applicable Industry Specific Acts are covered under the purview of our audit, in consultation with the Management and on the basis of the Guidance Note issued by the ICSI. Based on our verification and also reliance on the Compliance Certificate, we are of the view that the company has generally complied with the following Industry Specific Laws in line with amendments from time to time:

- Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945
- Petroleum Act, 1934
- Inflammable Substances Act, 1952
- Explosives Act, 1884 read with Explosives Rules, 1983
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981
- Indian Boilers Act, 1923

I further report, that the compliance by the company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit, since the same have been subject to review by Statutory Financial Auditor and other designated professionals. We have not verified the correctness and authenticity of the Books of Accounts and also compliance with the accounting standards, hence we would not be able to express our opinion on the same.

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the rules made there under.

The following changes in the Key Managerial Personnel were approved in the Annual General Meeting held on 07th September 2023:

(i) Re-appointment of Mr. K Ranga Raju (DIN- 00043186) as the Whole- Time Director of the Company.

The following changes have occurred in the composition of the Directors:

(i) Ms. Manjusha Ambadas Joshi (DIN: 08616508) regularised as Director of the company for the period of 5 years.

(ii) Ms. Manjusha Ambadas Joshi (DIN: 08616508) appointed as an Independent Director of the company to hold the office for a period of 5 years with effect from June 09, 2023.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and based on records maintained in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Companies Act, 2013 and the rules made there under except the following-

- Form MR-1 for return of appointment of managerial personnel was submitted after the due date and,

- Form BEN-2 for change in Significant Beneficial Ownership under section 90 were filed beyond the due date.

The Company being an unlisted company, the following Acts, Regulations, and other applicable rules shall not apply:

- The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations
- The Securities and Exchange Board of India (Share Based Employee Benefit Schemes) Regulations, 2014
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

We further report that:

1. During the course of our audit, Equity Shares, under the approved ESOP Schemes, have been allotted to the following shareholders on different dates after obtaining the necessary statutory and regulatory approvals:

Date of Allotment	**No. of Equity shares issued under ESOP**
29.04.2023	5000@120 2356 @1273
20.12.2023	17014@83 1108@1273 2000@30 3000@120
30.03.2024	10000@284

2. Sai Life Drugform Pvt. Ltd., wholly owned subsidiary of the Company struck off in the month of May 2023, due to non-business operation for a period of 2 preceding financial years.

3. The company in its Board meeting held on 20th February 2024 approved the availment of term loan from any Consortium Bank to the overall limit of Rs. 150 crore towards capital expenditure.

DSMR & Associates

Company Secretaries

Place: Hyderabad
Date: 21st May, 2024

D S M Ram
Proprietor
C. P. No. 4239
UDIN: A014939F000405582
Peer Review Certificate No. 1252/2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE – A
To,
The Members,
SAI LIFE SCIENCES LIMITED
L4- 01&02, SLN Terminus, Survey #133, Gachibowli
Miyapur,Hyderabad, Telangana- 500032

Our report of even date is to be read along with this letter:

Management's responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditor's Responsibility:

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.

3. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Disclaimer:

5. 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.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and compliance with the applicable accounting standards since the same has been subject to review by the Statutory Auditors.

DSMR & Associates
Company Secretaries

Place: Hyderabad
Date: 21st May, 2024

D S M Ram
Proprietor
C. P. No. 4239
UDIN: A014939F000405582
Peer Review Certificate No. 1252/2021

ANNEXURE E

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. Including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of contracts or arrangements or transactions are at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Sai Life Science Inc, USA	Subsidiary Company	Consultancy services received	Ongoing	Consultancy services – USD 5.10 Mn	16.05.2019	Nil
Sai Life Science Inc, USA	Subsidiary Company	Investment in equity Share Capital	Ongoing	Investment equity share capital in the in 2021-22 Subsidiary Company Rs.14.85 Crores For f.y 2023-24:Nil	13.04.2022	Nil
Sai Life Sciences GmbH	Subsidiary Company	Consultancy Charges	Ongoing	Consultancy Charges Euro 0.56 Mn	19.05.2023	Nil
Sai Life Pharma Pvt Ltd	Subsidiary Company	Lease Rent	Ongoing	Payment of Lease Rent – Rs. 7.09 lakhs	10.06.2020	Nil
Sai Life Pharma Pvt Ltd	Subsidiary Company	Lease Rent	Ongoing	Payment of Lease Rent – Rs.9.21 lakhs	29.09.2020	Nil
Sai Life Pharma Pvt Ltd	Subsidiary Company	Consultancy Charges	Ongoing	Transactions with Subsidiary Company- FTE Charges Rs. 169.2 lakhs	13.05.2023	Nil
Clean Max Orion Power LLP	Entity in which company made an investment	Entity in which company made an investment	One Time	Contribution of Capital of Rs.1.85 Crores made on 01.07.2022	13.04.2022	Nil
Rajagopal S Tatta	Independent Director	Commission	Ongoing	Commission- Rs. 45.05 lakhs subject to current rupee value depreciation against dollar	13.04.2022	Nil
K Krishnam Raju	Managing Director	Managerial Remuneration	Ongoing	Rs.2.99 Cr	17.08.2022	Nil
Manjusha Ambadas Joshi	Independent Director	Commission	Ongoing	Rs. 9.26 Lakhs	09.06.2023	Nil

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Dr K Ranga Raju	Whole Time Director	Managerial Remuneration	Ongoing	Rs. 1.88 Cr	04.08.2023	Nil
R R Kabel Limited	Entities in which Investor Directors are interested	Purchase of Material	One Time	Rs.5.86 lacs	09.08.2023	Nil

For and on behalf of the Board of Directors

Dr. K Ranga Raju
Chairman
DIN: 00043186

Place: Hyderabad
Date: May 21, 2024

ANNEXURE F
Corporate Social Responsibility (CSR)

Report on Corporate Social Responsibility as per subsection (3) of section 134 of the Act Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy: -

The Objective of Sai's CSR Policy is:

- To enable a comprehensive and systematic framework for the CSR activities which Sai is currently engaged with at different locations.
- Demonstrate commitment to the common through responsible business practices and good governance.
- Actively support the state development agenda to ensure sustainable change and attain development of the nearby society.
- Engender a sense of empathy and equity among employees of Sai to motivate them to give back to the society.

2. The Composition of the CSR Committee:

Sl. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rajagopal Srirama Tatta	Chairman of CSR Committee / Independent Director	3	3
2	Krishnam Raju Kanumuri	Member of CSR Committee / Managing Director	3	3
3	Puneet Bhatia	Member of CSR Committee / Director	3	0
4	Manjusha Joshi	Member of CSR Committee / Independent Woman Director	2	2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://www.sailife.com/compliance/

4. The 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, if applicable (attach the report):

Not Applicable - as the Company does not have an average CSR obligation of Rs. 10.00 Crores or more in the three immediately preceding financial years.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs)
1	2022-23	N.A.	N.A.
2	2021-22	N.A.	N.A.
3	2020-21	N.A.	N.A.

6. Average net profit of the company for last three financial years: Rs. 87,10,58,538

2020-21	2021-22	2022-23
89,87,30,000	16,42,06,000	34,40,59,000
Average- Rs. 46,89,98,333		

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 93,79,967**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Rs. Nil**
(c) Amount required to be set off for the financial year, if any: **Rs. Nil**
(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs 93,79,967**

8.

a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
93,79,967		Nil	Nil	Nil	Nil

b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project**		**Project Duration**	**Amount allocated for the project (in Rs.).**	**Amount spent in the current financial Year (in Rs.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration number.**
Nil												

c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project**		**Amount spent for the project (in Rs.).**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number.**
1.	CH VENKATA LAXMI	ii (i) Promoting education	Yes	Telangana	Hyderabad	44,000	Yes	N.A.	N.A.
2.	JANYAA FOUNDATION	ii (i) Promoting education	Yes	Telangana	Hyderabad	15,96,177	No	JANYAA FOUNDATION	CSR00003041
3.	M ANITHA KUMARI A/C .30931289002	ii (i) Promoting education	Yes	Telangana	Hyderabad	40,000	Yes	N.A.	N.A.

4.	NIIT FOUNDATION	ii (i) Promoting education	Yes	Telangana	Hyderabad	14,39,900	Yes	N.A.	CSR00000621
5.	NIMISHA CONSTRUCTIONS	ii (i) Promoting education	No	Karnataka	Bidar	4,97,096	Yes	N.A.	N.A.
6.	PUBLIC HEALTH FOUNDATION OF INDIA(PFHI)	i (iv) promoting health care including preventive health care	No	Karnataka	Bidar	32,26,806	No	PUBLIC HEALTH FOUNDATION OF INDIA	CSR00001071
7.	SCHOOL MANAGEMENT COMMITTEE KOLTHUR HW	ii (i) Promoting education	Yes	Telangana	Hyderabad	24,100	Yes	N.A.	N.A.
8.	SMC CONVENOR A.BHAGYA MANI & SMC CHAIRMAN J BALNARSIMHA	ii (i) Promoting education	Yes	Telangana	Hyderabad	66,200	Yes	N.A.	N.A.
9.	SUBEDAR MALLA REDDY ASSOCIATION FOR NEEDY	iv (ii) ensuring environmental sustainability, ecological balance	Yes	Telangana	Hyderabad	10,30,660	No	SUBEDAR MALLA REDDY ASSOCIATION FOR NEEDY	CSR00012688
10.	CURE FOUNDATION	i (iv) promoting health care including preventive health care	Yes	Telangana	Hyderabad	1,00,000	Yes	N.A.	N.A.

11.	INDUS CRITICAL CARE	i (iv) promoting health care including preventive health care	Yes	Hyderabad	Telangana	7,02,341	Yes	N.A.	N.A.
12.	ANSH FOUNDATION	ii (i) Promoting education	Yes	Telangana	Hyderabad	2,00,000	No	ANSH FOUNDATION	CSR00004824
13.	LEAP FOR WORD	ii (i) Promoting education	No	Maharashtra	Mumbai	1,05,779	No	LEAP FOR WORD	CSR00001037
14.	DONATION OF TRICYCLES TO DISABLED PERSONS	ii (iv) Livelihood enhancement projects	No	Karnataka	Bidar	3,06,908	Yes	N.A.	N.A.
	Total					**93,79,967**			

d) Amount spent in Administrative Overheads: **Rs. Nil**
e) Amount spent on Impact Assessment, if applicable: **Rs. Nil**
f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 93,79,967**

(g) Excess amount for set off, if any:

Sl. No.	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	**93,79,967**
(ii)	Total amount spent for the Financial Year	**93,79,967**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9.

(a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2022-23	Nil	-	N.A.	N.A.	N.A.	-
2.	2021-22	Nil	-	N.A.	N.A.	N.A.	-
3.	2020-21	Nil	-	N.A.	N.A.	N.A.	-
	Total		**-**				**-**

* Disclosure with regard to CSR unspent amount is being provided in the respective FY's boards report as per CSR compliance.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
---- Not Applicable ---								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **None**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Rs. Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

Rajagopal S Tatta	**K Krishnam Raju**
Director	**Managing Director**
Chairman of CSR Committee	**Member of CSR Committee**
DIN: 00988348	**DIN: 00064614**

Place: Hyderabad
Date: May 21, 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of Sai Life Sciences Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sai Life Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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 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.

In preparing the standalone financial statements, Management and Board of Directors is 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial controls 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 standalone 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.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 financial controls 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 not complying with the requirement of audit trail as stated in (i)(vi) below.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modifications relating to maintenance of accounts and other matters connected therewith, are stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to standalone financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - refer note 42 to the standalone financial statements.

ii) 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.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 43 to the 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.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43 to the 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) 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 (a) and (b) above, contain any material misstatement.

v) The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi) Based on our examination, which included test checks, the Company, has used accounting software for maintaining its books of account for the year ended March 31, 2024 , wherein:

a) for one accounting software, audit trail feature was not enabled for the period April 1, 2023 to March 30, 2024, post which audit trail feature was enabled at the application level.

b) 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Sathya P. Koushik)
(Partner) (Membership No. 206920))

Place: Bengaluru
Date: May 21, 2024
SPK/RK/2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of Sai Life Sciences Limited (“the Company”) as at March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone 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. 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 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone financial statements was 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone 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 control with reference to standalone financial statements includes 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 standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sathya P. Koushik
(Partner) (Membership No. 206920)
Place: Bengaluru
Date: May 21, 2024
SPK/RK/2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment including capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of Property, plant and equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property plant and equipment, capital work-in-progress and right-of-use asset at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed/conveyance deed provided to us, we report that, the title deeds, of all the immovable properties of land and buildings, disclosed in the standalone financial statements included in property, plant equipment, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising working capital positions and revenue figures filed by the Company with such banks or financial institution are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which

(a) The Company has not provided any loans or advances in the nature of loans or provided security to any other entity during the year. The Company has provided guarantee and details of which are given below:

	Guarantees(in million)
A. Aggregate amount granted / provided during the year:	
A. Subsidiaries	32.89
B. Others	-
B. Balance outstanding as at balance sheet date in respect of above cases	
C. Subsidiaries	32.89
D. Others	-

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans. Hence, reporting under clause (iii) (c) (d) (e) and (f) is not applicable.

(iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted loans, given guarantees and securities to which sections 185 and 186 of the Companies Act, 2013 is applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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(vii) (a) The Company has been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues applicable to it, to the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub- clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (in mio)**	**Amount unpaid (in mio).**
Finance Act, 1994	Service Tax	High Court, Mumbai	2012-2014	12.36	3.64
Central Excise Act, 1944	Excise Duty	Central Excise Service Tax Appellate Tribunal	2007-2012	7.25	5.44

Maharashtra Value Tax Act, 2002	Value Added Tax	Maharashtra Sales Tax Tribunal	2009-2014	44.73	42.65
Maharashtra Value Tax Act, 2002	Value Added Tax	Joint Commissioner Appeals	2014-2017	22.83	22.83

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any associate or joint venture during the year.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any associate or joint venture during the year.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the draft of the internal audit reports were issued after the balance sheet date covering the period under audit.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 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. Hence, reporting under clause (xvi)(a), (b) and (c)of the Order is not applicable.

(b) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group as per the definition of Group Contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and 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 indicating the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-Section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants (F.R.N. 117366W/W-100018)

Sathya P. Koushik
(Partner) (Membership No. 206920)
Place: Bengaluru
Date: May 21, 2024
SPK/RK/2024

BALANCE SHEET AS AT 31st MARCH

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

	Note	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
(a) Property, plant and equipment	6	8,775.78	7,273.16
(b) Right-of-use assets	7	1,831.53	1,848.89
(c) Capital work-in-progress	6	1,068.95	1,510.00
(d) Intangible assets	8	130.20	103.82
(e) Financial assets			
(i) Investments	9	802.66	802.66
(ii) Other financial assets	10	39.13	26.57
(f) Non-current tax assets (net)	11	130.83	76.63
(g) Other non-current assets	12	108.44	145.17
Total non-current assets		**12,887.52**	**11,786.90**
Current assets			
(a) Inventories	13	860.72	1,381.20
(b) Financial assets			
(i) Trade receivables	14	2,587.94	2,771.53
(ii) Cash and cash equivalents	15(i)	168.61	635.95
(iii) Bank balances other than (ii) above	15(ii)	1,351.43	164.24
(iv) Other financial assets	10	794.76	1,784.74
(c) Other current assets	12	3,748.22	2,781.66
Total current assets		**9,511.68**	**9,519.32**
Total assets		**22,399.20**	**21,306.22**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	180.50	180.10
(b) Other equity	17	9,931.48	8,947.22
Total equity		**10,111.98**	**9,127.32**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2,772.46	2,609.69
(ii) Lease liabilities	19	1,215.49	1,366.77
(iii) Other financial liabilities	20	13.33	37.27
(b) Provisions	21	190.67	166.76
(c) Deferred tax liabilities (net)	22	862.89	604.80
Total non-current liabilities		**5,054.84**	**4,785.29**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,329.17	4,382.60
(ii) Lease liabilities	19	358.98	329.17
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	23	90.07	80.90
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	1,814.83	1,891.38
(iv) Other financial liabilities	20	317.53	227.79
(b) Other current liabilities	24	238.36	377.76
(c) Provisions	21	83.44	72.02
(d) Current tax liabilities (net)	25	-	31.99
Total current liabilities		**7,232.38**	**7,393.61**
Total equity and liabilities		**22,399.20**	**21,306.22**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH

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

		Note	For the year ended	
			31 March 2024	**31 March 2023**
	Income			
I	Revenue from operations	26	14,186.82	11,574.03
II	Other income	27	293.32	279.61
III	**Total income (I + II)**		**14,480.14**	**11,853.64**
IV	**Expenses**			
	Cost of material, chemicals & reagents consumed	28	4,087.83	4,131.20
	Changes in inventories of work-in-progress	29	238.04	(45.88)
	Employee benefits expense	30	4,306.29	3,537.57
	Finance costs	31	797.24	706.42
	Depreciation and amortisation expense	32	1,072.13	877.73
	Other expenses	33	2,688.56	2,319.73
	Total expenses (IV)		**13,190.09**	**11,526.77**
V	**Profit before tax (III - IV)**		**1,290.05**	**326.87**
VI	**Tax expense**	34		
	(i) Current tax		79.69	107.31
	(ii) Deferred tax		258.05	(22.81)
	Total tax expense (VI)		**337.74**	**84.50**
VII	**Profit after tax (V - VI)**		**952.31**	**242.37**
VIII	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss:			
	(a) Re-measurement of defined benefit plans		8.08	31.13
	(ii) Income-tax on items that will not be reclassified to profit or loss		(2.03)	(7.83)
			6.05	**23.30**
B.	(i) Items that will be reclassified to profit or loss:			
	(a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(7.89)	(11.70)
	(b) Exchange differences on translating foreign operations		-	-
	(ii) Income-tax on items that will be reclassified to profit or loss		1.99	2.94
			(5.90)	**(8.76)**
	Total other comprehensive income for the year, net of tax (A + B)		**0.15**	**14.54**
	Total comprehensive income for the year (VII + VIII)		**952.46**	**256.91**
IX	**Earnings per equity share (in absolute ₹ terms)**	35		
	Basic		52.57	13.42
	Diluted		52.07	13.29

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH

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

	For the year ended	
	31 March 2024	**31 March 2023**
Cash flow from operating activities		
Profit before tax	**1,290.05**	**326.87**
Adjustments for :		
Interest income	(135.97)	(106.64)
(Gain)/loss on sale of Property, plant and equipment, net	(0.10)	5.67
Unrealised foreign exchange gain	(44.42)	(30.05)
Depreciation and amortisation expense	1,072.13	877.73
Equity -settled share-based payments	22.53	8.14
Finance costs	797.24	706.42
Bad debts written off (net of recoveries)	62.04	67.96
Advances written off	10.72	-
Provision towards advances	13.66	-
Asset written off	61.86	-
Provision towards doubtful trade receivables, net	0.66	11.52
Operating cash flows before working capital changes	**3,150.40**	**1,867.62**
(Increase)/decrease in other non-current assets	(65.77)	424.08
(Increase)/decrease in inventories	520.48	(121.68)
(Increase)/decrease in trade receivables	208.30	(442.68)
(Increase)/decrease in other current assets	(977.29)	342.71
(Increase)/decrease in other financial assets	39.16	(12.71)
Increase/(decrease) in trade payables	(68.07)	46.84
Decrease in other financial liabilities & provisions	(26.43)	(47.11)
Increase/(decrease) in other non-current and current liabilities	(139.40)	198.47
Net cash generated from operating activities	**2,641.38**	**2,255.54**
Income-taxes paid, net	(134.96)	(40.80)
Net cash generated from operating activities (A)	**2,506.42**	**2,214.74**
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)	(1,793.60)	(1,139.79)
Proceeds from sale of property, plant and equipment	8.53	482.15
Investments in subsidiaries entities	-	(148.50)
Investments in other entity	-	(18.53)
Movement in other bank balances	(1,187.19)	(20.72)
(Investment)/Redemption of Corporate deposits	950.00	(350.00)
Interest income received	121.75	83.11
Net cash used in investing activities (B)	**(1,900.51)**	**(1,112.28)**
Cash flows from financing activities		
Proceeds from issue of equity shares	9.67	20.91
Proceeds from / (Repayment of) current borrowings, net	248.93	(664.37)
Proceeds from non-current borrowings	750.00	300.00
Repayment of non-current borrowings	(667.28)	(532.76)
Interest portion of lease liabilities	(191.67)	(177.07)
Principal portion of lease liabilities	(396.22)	(303.32)
Interest paid #	(599.73)	(543.82)
Net cash used in financing activities (C)	**(846.30)**	**(1,900.43)**
Net decrease in cash and cash equivalents during the year (A + B + C)	**(240.39)**	**(797.97)**
Cash and cash equivalents at the beginning of the year	292.12	1,090.09
Cash and cash equivalents at the end of the year (Note 1 below)	**51.73**	**292.12**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH..contd

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

Note 1:		
Cash and cash equivalents includes		
Cash on hand	0.11	0.26
Balances with banks		
-in current accounts	75.65	15.10
-in book overdraft in bank accounts	(116.88)	(343.83)
-in cash credit accounts	92.85	320.59
-in deposits account	-	300.00
	51.73	**292.12**

Interest paid in cash flow from financing activities includes borrowing cost capitalised as property, plant and equipment and CWIP during the year amounting to ₹ 18.49 (31 March 2023: ₹ 28.96)

Refer note 18 for reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities.

See accompanying notes 1 to 48 forming part of these Standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Sathya P. Koushik
Partner
Membership No.: 206920

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Hyderabad
Date: 21-May-2024

Place: Hyderabad
Date: 21-May-2024

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

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

A Share Capital

	Equity		Preference		Total
	Number of shares	Amount	Number of shares	Amount	Amount
As at 31 March 2022	**1,75,56,306**	**175.56**	**4,80,000**	**3.87**	**179.43**
Changes in share capital during the year	66,250	0.67	-	-	0.67
As at 31 March 2023	**1,76,22,556**	**176.23**	**4,80,000**	**3.87**	**180.10**
Changes in share capital during the year	40,478	0.40	-	-	0.40
As at 31 March 2024	**1,76,63,034**	**176.63**	**4,80,000**	**3.87**	**180.50**

B Other Equity

	Reserves and Surplus				Other	
	Capital reserve	Securities premium	Employee stock options outstanding account	Retained earnings	Effective portion of cash flow hedges	Total
Balance as at 31 March 2022	**11.22**	**3,855.56**	**87.20**	**4,780.21**	**(3.26)**	8,730.93
Amount transferred on exercise/forfeiture of employee stock options	-	-	(0.58)	0.58	-	-
Profit for the year	-	-	-	242.37	-	242.37
Other comprehensive income	-	-	-	31.13	(11.70)	19.43
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(7.83)	-	(7.83)
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	2.94	2.94
Total comprehensive income	**-**	**-**	**(0.58)**	**266.25**	**(8.76)**	**256.91**
Dividend paid	-	-	-	(69.00)	-	(69.00)
Shares allotted during the year on account of exercise of employee stock options	-	20.24	-	-	-	20.24
Share-based payment expense	-	-	8.14	-	-	8.14
Balance as at 31 March 2023	**11.22**	**3,875.80**	**94.76**	**4,977.46**	**(12.02)**	**8,947.22**
Amount transferred on forfeiture of employee stock options	-	-	(4.71)	4.71	-	-
Amount transferred on exercise of employee stock options		6.48	(6.48)	-	-	-
Profit for the year	-	-	-	952.31	-	952.31
Other comprehensive income	-	-	-	8.08	(7.89)	0.19
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(2.03)	-	(2.03)
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	1.99	1.99
Dividend paid	-	-	-	-	-	-
Total comprehensive income	**-**	**6.48**	**(11.19)**	**963.07**	**(5.90)**	**952.46**
Shares allotted during the year on account of exercise of employee stock options	-	9.27	-		-	9.27
Share-based payment expense	-	-	22.53		-	22.53
Balance as at 31 March 2024	**11.22**	**3,891.55**	**106.10**	**5,940.53**	**(17.92)**	**9,931.48**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Corporate information

Sai Life Sciences Limited ("the Company") is a closely held public limited company domiciled and incorporated in India. The registered office of the Company is situated in Hyderabad, Telangana, and has facilities in the states of Telangana, Karnataka and Maharashtra, India.

The Company carries out contract research and manufacturing activities for customers engaged in pharmaceutical and biotechnology industries.

2. Basis of preparation

Statement of compliance

The standalone financial statements of the Company which comprise of the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the statement of changes in equity ("standalone financial statements") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs ('MCA') and other relevant provisions of the Act, as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date 31 March 2024. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 21 May 2024.

These standalone financial statements have been prepared on the historical cost convention and on an accrual basis except for the following material items in the balance sheet:

- Certain financial assets and liabilities which are measured at fair value;
- Net defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Share based payments, which are measured at fair value of the options.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest Millions, unless otherwise stated.

3. *Use of estimates and judgements*

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that 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 standalone Ind AS 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 standalone Ind AS financial statements in the period in which such changes are made and in any future periods affected.

<u>Critical judgements in applying accounting policies</u>

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Company applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. Revenue will be recognised as the customer obtains control of the product and services promised in the Contract. Given the nature of the product and terms and conditions in case of certain contracts, the customer obtains control as the Company performs the work under the contract. Therefore, revenue is recognised over time for such contracts and for other contracts at a point in time. The Company uses the percentage of completion method to measure progress towards completion in respect of fixed price contracts. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone Ind AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Items requiring significant estimate	**Assumption and estimation uncertainty**
Useful lives of property, plant and equipment and Intangible assets	The Company reviews the estimated useful lives of property, plant and equipment and the intangible assets at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
Fair valuation measurement and valuation process	Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.
Contract assets	Contract asset is recognised when the performance obligations are fulfilled and revenue is recognised over a period of time. Estimates are involved in determining the percentage of completion of the contract.
Leases	Contracts are reviewed to evaluate whether the arrangement contains a lease
Employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting date. These assumptions include the discount

Items requiring significant estimate	Assumption and estimation uncertainty
	rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provisions, contingencies - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources	The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is disclosed in the notes to the standalone financial statements.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions. In assessing the realisability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Summary of material accounting policies

The standalone financial statements have been prepared using the material accounting policies and measurement basis summarized below.

a. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

An **asset** is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

A **liability** is classified as current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

b. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency using the exchange rates at the dates of the transactions or at the rate that closely approximates the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the standalone statement of profit and loss are reported within statement of profit and loss as foreign exchange gains/ (losses), net. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

c. Revenue recognition

Revenue is measured at the transaction value of the consideration received or receivable.

Sale of Services: In contracts involving the rendering of services/ development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Company recognises revenue on the basis of input method of Percentage of Completion. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue and Advance from Customers) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Company has a right to invoice.

Contributions received from customers towards items of property, plant and equipment which require an obligation to supply services in the future to the customer over a specified period, is recognised as revenue from operations over the specified period. The Company capitalises the gross cost of these assets as the Company controls these assets.

Sale of goods: Revenue from the sale of goods is recognised when the Company transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net of returns, trade allowances, rebates and indirect taxes.

'Bill and hold' sales, in which delivery is delayed at the buyer's request but the buyer takes title and accepts billing, revenue is recognised when the buyer takes title, provided:

(a) it is probable that delivery will be made;
(b) the item is on hand, identified and ready for delivery to the buyer at the time the sale is recognised;
(c) the buyer specifically acknowledges the deferred delivery instructions; and
(d) the usual payment terms apply.

Revenue is not recognized when there is simply an intention to acquire or manufacture the goods in time for delivery.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally, when shareholders approve the dividend.

Export incentives
Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d. Property, plant and equipment (PPE)
Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in standalone statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation
Depreciation on items of PPE is provided on the straight-line method, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Freehold land are not depreciated.

The estimated useful lives of the assets are based on a technical evaluation reflecting actual usage of assets.

Asset Category	**Estimated useful life (in years)**
Buildings	30
Leasehold improvements	Over the lease period or over the useful life of asset if the Company is certain to opt for purchase option
Plant and equipment	15-20
Furniture	10
Freehold Vehicles	8-10
Freehold Computers	3

Items of PPE acquired wholly or partly with specific grant / subsidy from government (or) customers, are recorded at the acquisition cost to the Company and the amount received under the grant pending donor approval or conditions to be fulfilled is disclosed as a liability.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

e. Intangible assets
Internally generated
Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are

probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in standalone statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in standalone statement of profit and loss as incurred.

The intangible assets are amortized over the estimated useful life of the asset, on a straight line basis.

f. Impairment

Impairment of tangible and intangible assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of 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 groups of assets.

An impairment loss is recognised in the standalone statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount in the standalone statement of profit and loss. The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The method of determining cost of various categories of inventories is as follows:

(i) Raw materials – Weighted average cost. Cost includes purchase cost and other attributable expenses

(ii) Stores and spares and packing material – Weighted average cost

(iii) Finished goods and work-in-process - is based on average cost of production or conversion which comprises direct material costs, direct wages and applicable overheads.

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.

h. Measurement of fair values

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

i. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), fair value plus transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

FVOCI – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the standalone statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

FVTPL

All financial assets not classified as measured at amortised cost or at FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in standalone statement of profit and loss.

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset; or the company has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

Trade Receivables which are subject to a factoring arrangement without recourse are derecognized from the Balance sheet in its entirety. Under this arrangement, the Company transfers relevant receivables to the factor in exchange for cash and does not retain credit risk

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are also classified as a current asset or liability when expected to be realised/settled within 12 months of the balance sheet date.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the intrinsic value of option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

- With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward element of the forward contract are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost'.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). Hedge ineffectiveness is recognised in profit and loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Dividend distribution to equity holders of the Company
The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. 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. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee
The Company assesses whether a contract contains a lease, at inception of a contract. 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 assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Business combination

The Company accounts for its business combinations under acquisition method of accounting, where applicable. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Transaction costs incurred in connection with a business combination are expensed as incurred.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

l. Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

m. *Government Grants*

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised by deducting the grant from the carrying amount of the asset. Grants related to Income are recognized in standalone statement of profit and loss as other operating revenues.

n. *Investments in the nature of equity in subsidiaries*

The Company has elected to recognise its investments in equity instruments in subsidiaries at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

o. *Borrowing costs*

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. These benefits include salaries and wages, bonus and ex-gratia. A liability is recognised for the amount expected to be paid, 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 amount of obligation can be estimated reliably.

Long-term employee benefits
Employee benefits payable after twelve months of receiving employee services are classified as long-term employee benefits. These benefits primarily include one-off retention incentive and long-term bonus provision, in accordance with the policy of the company. The company accrues these costs based on the expected pay out and the same is amortised over a period of services.

Gratuity
The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's last drawn salary and the tenure of the employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme. The Company recognises the net obligation of a defined benefit plan as a liability in its standalone balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the standalone statement of profit and loss. The net interest on net defined benefit liability which reflects the change in net defined benefit liability that arises from the passage of time is considered as finance cost and disclosed under "Finance costs"

Compensated absences
The Company's policy permits employees to accumulate and carry forward a portion of unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policy. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet.

Share based compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

q. Provisions, contingent liabilities and contingent assets
Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

r. Income taxes

Tax expense recognized in standalone statement of profit and loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding during the year for the effects of all dilutive potential equity shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

6. Property, plant and equipment

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furnitures and fixtures	Vehicles	Computers	Total
Cost or deemed cost								
Balance as at 1 April 2022	164.86	2,133.86	168.75	6,319.17	134.36	51.45	219.24	**9,191.69**
Additions (refer note i below)	10.12	502.38	6.78	647.20	6.63	8.76	68.38	**1,250.25**
Disposals/retirement	-	-	(1.24)	(190.69)	(2.62)	-	(0.31)	**(194.86)**
Adjustments (refer note iii below)	-	(22.00)	-	(146.39)	1.69	-	1.22	**(165.48)**
Balance as at 31 March 2023	**174.98**	**2,614.24**	**174.29**	**6,629.29**	**140.06**	**60.21**	**288.53**	**10,081.60**
Additions (refer note i below)	13.65	440.27	3.32	1,667.96	25.69	-	71.38	**2,222.27**
Disposals/retirement	-	-	(8.34)	(0.93)	-	(3.57)	(13.89)	**(26.73)**
Adjustments	-	-	-	6.36	0.34	-	0.22	**6.92**
Balance as at 31 March 2024	**188.63**	**3,054.51**	**169.27**	**8,302.68**	**166.09**	**56.64**	**346.24**	**12,284.06**
Accumulated depreciation								
Balance as at 1 April 2022	-	239.74	63.29	1,225.34	43.51	50.90	139.88	**1,762.66**
Charge for the year	-	76.68	12.60	454.77	13.83	0.29	42.63	**600.80**
Disposals/retirement	-	-	(0.85)	(60.36)	(0.66)	-	(0.22)	**(62.09)**
Adjustments	-	-	-	3.29	0.21	-	0.58	**4.08**
Balance as at 31 March 2023	**-**	**316.42**	**75.04**	**1,623.04**	**56.89**	**51.19**	**182.87**	**2,305.45**
Charge for the year	-	97.73	10.70	553.79	16.02	2.23	50.88	**731.35**
Disposals/retirement	-	-	-	(0.23)	-	(3.51)	(13.86)	**(17.60)**
Adjustments	-	-	-	1.07	0.08	-	0.16	**1.31**
Balance as at 31 March 2024	**-**	**414.15**	**85.74**	**2,177.67**	**72.99**	**49.91**	**220.05**	**3,020.51**
Net carrying amount								
As at 31 March 2023	**174.98**	**2,297.82**	**99.25**	**5,006.25**	**83.17**	**9.02**	**105.66**	**7,776.15**
As at 31 March 2024	**188.63**	**2,640.36**	**83.53**	**6,125.01**	**93.10**	**6.73**	**126.19**	**9,263.55**

Capital work-in-progress :₹1,068.95 (31 March 2023: ₹ 1,510.01) (refer note i & ii)

Notes

i) Additions to capital work-in-progress and property, plant & equipment during the year ended 31 March 2024 includes borrowing cost amounting to ₹ 18.49 (31 March 2023: ₹28.96)

ii) Capital work-in-progress (CWIP) ageing schedule:

As at 31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	671.50	18.70	378.75	-	1,068.95
Projects temporarily suspended	-	-	-	-	-
Total	**671.50**	**18.70**	**378.75**	**-**	**1,068.95**

As at 31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	737.46	472.53	242.04	57.98	1,510.01
Projects temporarily suspended	-	-	-	-	-
Total	**737.46**	**472.53**	**242.04**	**57.98**	**1,510.01**

Note: As on the date of balance sheet, there are there is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

iii) During the period ended 31 March 2023, the Company received final approval from Commissionerate of Industries, Telangana State towards sanction of investment subsidy amounting to ₹. 200. The Company is of the view that the same will be received in due course and there is no uncertainty on the receipt of the same. The aforesaid subsidy has been disclosed as reduction from the property, plant and equipment. The impact of such subsidy has resulted in reversal of depreciation amounting to ₹. 25.2 during the year ended 31 March 2023, that was previously charged on the

iv) Refer note 19 for details of property, plant and equipment subject to charge on secured borrowings.

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

7. **Right-of-use assets**

	Leasehold land	Buildings	Vehicles	Plant and equipment	Computers	Total
Cost						
Balance as at 1 April 2022	**148.13**	**1,030.95**	**285.21**	**795.26**	**154.55**	**2,414.10**
Additions during the year	-	10.59	67.05	465.39	14.86	557.89
Disposals/retirement	-	(10.92)	(14.99)	-	-	(25.91)
Balance as at 31 March 2023	**148.13**	**1,030.62**	**337.27**	**1,260.65**	**169.41**	**2,946.08**
Additions during the year	-	15.17	93.34	194.83	0.64	303.98
Disposals/retirement	-	-	(30.92)	-	-	(30.92)
Balance as at 31 March 2024	**148.13**	**1,045.79**	**399.69**	**1,455.48**	**170.05**	**3,219.14**
Accumulated depreciation						
Balance as at 1 April 2022	**14.01**	**526.35**	**248.42**	**-**	**60.57**	**849.35**
Charge for the year	3.58	63.46	70.97	91.84	38.60	268.45
Disposals/retirement	-	(7.31)	(13.30)	-	-	(20.61)
Balance as at 31 March 2023	**17.59**	**582.50**	**306.09**	**91.84**	**99.17**	**1,097.19**
Charge for the year	3.59	67.19	71.24	114.76	36.29	293.07
Disposals/retirement	-	-	(2.65)	-	-	(2.65)
Balance as at 31 March 2024	**21.18**	**649.69**	**374.68**	**206.60**	**135.46**	**1,387.61**
Net carrying amount						
As at 31 March 2023	**130.54**	**448.12**	**31.18**	**1,168.81**	**70.24**	**1,848.89**
As at 31 March 2024	**126.95**	**396.10**	**25.01**	**1,248.88**	**34.59**	**1,831.53**

8. Other intangible assets

	Acquired software	Total
Cost or deemed cost		
Balance as at 1 April 2022	**161.00**	**161.00**
Additions during the year	78.57	78.57
Balance as at 31 March 2023	**239.57**	**239.57**
Additions during the year	110.56	110.56
Balance as at 31 March 2024	**350.13**	**350.13**
Accumulated amortization		
Balance as at 1 April 2022	**92.88**	**92.88**
Charge for the year	42.87	42.87
Balance as at 31 March 2023	**135.75**	**135.75**
Charge for the year	84.18	84.18
Balance as at 31 March 2024	**219.93**	**219.93**
Net carrying amount		
As at 31 March 2023	**103.82**	**103.82**
As at 31 March 2024	**130.20**	**130.20**

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

		As at 31 March 2024	As at 31 March 2023
9.	**Investments**		
	Non-current		
	Investment in equity instruments		
	Unquoted investments (fully paid)		
	Investments in subsidiary (at cost)		
	Sai Life Sciences Inc, USA		
	184,762 (31 March 2023: 184,762) capital stock of USD 1 each fully paid-up	666.77	666.77
	Sai Life Pharma Private Limited		
	1,15,10,000 (31 March 2023: 1,15,10,000) equity of ₹ 10 each fully paid-up	115.10	115.10
	Sai Life Drugform Private Limited*		
	10,000 (31 March 2023: 10,000) equity of ₹ 10 each fully paid-up	0.10	0.10
	Less: Provision for impairment	(0.10)	(0.10)
	Sai Life Sciences GMBH		
	25,000 (31 March 2023: 25,000) equity shares of Euro 1 each fully paid-up	2.11	2.11
	Total investments in subsidiaries (A)	**783.98**	**783.98**
	Others(at fair value through Other Comprehensive Income)		
	Jeedimetla Effluent Treatment Limited		
	500 (31 March 2023: 500) equity shares of ₹100 each fully paid-up	0.05	0.05
	Patancheru Envirotech Limited		
	10,878 (31 March 2023: 10,878) equity shares of ₹10 each fully paid-up	0.11	0.11
	Clean Max Orion Power LLP		
	Contribution of 26% LLP Share (31 March 2023: 26% LLP Share) in Partners capital**	18.52	18.52
	Total investment in others (at fair value through Other Comprehensive Income) (B)	**18.68**	**18.68**
	Total non-current investments (A) + (B)	**802.66**	**802.66**
	Aggregate amount of quoted investments and market value thereof	-	-
	Aggregate value of unquoted investments	802.66	802.66

** During the previous year ended 31 Mar 2023 the Company had invested an amount of ₹ 18.52 in Clean Max Orion Power LLP pursuant to Limited Liability Partnership Agreement. The Company's investment represents 26% ownership of the Clean Max Orion Power LLP and the investment is in accordance with Electricity Act 2003 which stipulates consumer partner (Sai Life) to have atleast 26% ownership in the electricity generating entity. The Company's 26% ownership is purely to meet the regulatory requirement and

10.	**Other financial assets**		
	Non-current		
	Derivative financial asset - Fair Value Through Other Comprehensive Income (FVTOCI)	-	2.22
	Security deposits - considered good	39.13	24.35
		39.13	**26.57**
	Current		
	Security deposits		
	(a) Considered good	9.61	29.81
	(b) considered doubtful	3.39	3.39
		13.00	33.20
	Less: Provision for doubtful deposits	(3.39)	(3.39)
		9.61	29.81
	Derivative financial asset - FVTOCI	16.08	18.56
	Unbilled revenue*	93.76	127.42
	Fixed Deposits with financial institutions	400.00	1,350.00
	Incentive receivable under T-IDEA scheme**	220.81	218.67
	Interest accrued but not due on deposits	54.50	40.28
		794.76	**1,784.74**

*Classified as financial asset as right to consideration is unconditional upon passage of time.

**During the year ended 31 March 2023, the Company received final approval under the Telangana Industrial Development and Entrepreneur Advancement (T–IDEA) scheme 2014 from Commissionerate of Industries, Telangana State towards sanction of investment subsidy amounting to ₹. 200.

Additionally, under the above scheme, the Company granted a customised incentive of power cost reimbursement of ₹.1.00 per unit for a period of 10 years starting from August 2020 (being the commencement of commercial production of the expanded facility at Shameerpet, Hyderabad, Telangana). During the year ended 31 March 2023 and 31 March 2024, the Company received sanction

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

11.	**Non-current tax assets (net)**		
	Advance income-tax, net of provision for taxation ₹. 79.69 (31 Mar 23 ₹.107.31)	130.83	76.63
		130.83	**76.63**
	Refer Note 34 for details of income tax expense		
12.	**Other assets**		
	(Unsecured, considered good)		
	Non-current		
	Capital advances	22.07	61.66
	Prepaid expenses	9.84	10.02
	Export incentive receivable	0.15	-
	Tax demand paid under protest	43.82	41.95
	Balances with statutory authorities, considered good	32.56	31.54
	Balances with statutory authorities, considered doubtful	15.90	15.90
		48.46	47.44
	Less: Provision for doubtful balances	(15.90)	(15.90)
		32.56	31.54
		108.44	**145.17**
12.	**Other assets (continued)**		
	Current	**As at 31 March 2024**	**As at 31 March 2023**
	Advance to suppliers		
	(a) Considered good	95.12	129.84
	(b) Considered doubtful	31.08	17.42
		126.20	147.26
	Less: Allowance for doubtful advances to suppliers	(31.08)	(17.42)
		95.12	129.84
	Prepaid expenses	199.17	134.87
	Contract assets*	2,968.16	1,650.47
	Balances with statutory authorities	397.63	770.71
	Export incentives receivable	1.45	0.15
	Incentives receivable under production linked incentive	-	93.10
	Advance to employees	1.33	2.52
	Other receivable from related parties	85.36	-
		3,748.22	**2,781.66**
	***Changes in contract assets are as follows**		
	Balance at the beginning of the year	1,650.47	2,101.56
	Invoices raised that were included in the contract assets balance at the beginning of the year	(1,418.05)	(1,747.15)
	Increase due to revenue recognised during the year, excluding amounts billed during the year	2,735.74	1,296.06
	Balance at the end of the year	**2,968.16**	**1,650.47**
13.	**Inventories**		
	Raw materials and packing materials*	625.47	868.51
	Work-in-progress	200.73	438.77
	Stores and spares	34.52	73.92
		860.72	**1,381.20**

* Value by which inventories have been written down to net realisable value amounted to ₹. Nil (31 Mar 23 : ₹.13.13)

Note - The Company has written off inventories amounting to ₹. 292.60 (31 Mar 23 : ₹.170.50)

Refer note 5(g) for basis of valuation and for details of inventories pledged, refer note 18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

14.	Trade receivables*		
	(a) Considered good	2,587.94	2,771.53
	(b) Trade receivables which have significant increase in credit risk	117.00	116.22
		2,704.94	**2,887.75**
	Less: Allowance for doubtful receivables (Refer Note 37B for the Company's credit risk management process.)	117.00	116.22
		2,587.94	**2,771.53**

* The Company has a factoring arrangement without recourse with one of its bankers ; consequently, the Company has derecognized receivables amounting to ₹. Nil (31 Mar 23 ₹.28.17), as it transfers relevant receivables to the factor in exchange for cash and does not retain credit risk.

Trade receivables Aging:

As at 31 March 2024

	Outstanding for following periods from due date of payment						
Particulars	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	1,762.24	735.17	47.85	42.68	-	-	2,587.94
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	1.29	8.76	30.19	51.05	25.71	117.00
Total	**1,762.24**	**736.46**	**56.61**	**72.87**	**51.05**	**25.71**	**2,704.94**

As at 31 March 2023

	Outstanding for following periods from due date of payment						
Particulars	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	1,860.23	777.98	85.18	48.14	-	-	2,771.53
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	63.49	21.31	31.42	116.22
Total	**1,860.23**	**777.98**	**85.18**	**111.63**	**21.31**	**31.42**	**2,887.75**

15.	Cash and cash equivalents and other bank balances	As at 31 March 2024	As at 31 March 2023
(i)	**Cash and cash equivalents**		
	Cash on hand	0.11	0.26
	Balances with banks		
	-in current accounts	75.65	15.10
	-in Cash credit account	92.85	320.59
	-in deposits account	-	300.00
		168.61	**635.95**
(ii)	**Bank balances other than above**		
	-margin money/deposit	141.43	164.24
	-in deposits account	1,210.00	-
		1,351.43	**164.24**
(iii)	**For the purpose of statement of cash flows, cash and cash equivalents comprise of following:**		
	Cash and cash equivalents (as per (i) above)	168.61	635.95
	Overdraft facilities (refer note 18)	(116.88)	(343.83)
		51.73	**292.12**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

16. Equity share capital

i. Authorised share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Equity shares of ₹10 each	2,03,00,000	203.00	2,03,00,000	203.00
Optionally convertible preference shares of ₹10 each	6,00,000	6.00	6,00,000	6.00
Compulsorily convertible preference shares of ₹10 each	5,00,000	5.00	5,00,000	5.00
	2,14,00,000	**214.00**	**2,14,00,000**	**214.00**

ii. Issued, subscribed and fully paid up

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Equity shares of ₹10 each	1,76,63,034	176.63	1,76,22,556	176.23
	1,76,63,034	**176.63**	**1,76,22,556**	**176.23**

iii. Partly paid up preference shares

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Compulsorily convertible preference shares of ₹ 10 each (partly paid ₹.8.06 each)	4,80,000	3.87	4,80,000	3.87
	4,80,000	**3.87**	**4,80,000**	**3.87**

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

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	1,76,22,556	176.23	1,75,56,306	175.56
Add: Shares issued during the year	40,478	0.40	66,250	0.67
Balance at the end of the year	**1,76,63,034**	**176.63**	**1,76,22,556**	**176.23**

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Partly paid up preference shares				
Balance at the beginning of the year	4,80,000	3.87	4,80,000	3.87
Balance at the end of the year	**4,80,000**	**3.87**	**4,80,000**	**3.87**
	1,81,43,034	**180.50**	**1,81,02,556**	**180.10**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

v. Rights, preferences 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

vi. Rights, preferences and restrictions attached to preference shares

The Company has two classes of preference shares viz, Compulsorily convertible preference shares(CCPS) (Rs. 3.87 million) and 'Optionally convertible preference shares (OCPS) (Rs. 4.80 million). The said shares are partly paid to the tune of ₹.8.06 per share and the same will be treated as fully paid-up upon receiving the payment on final call for ₹.1.94 per share as and when made. Each CCPS and OCPS will be converted into 1 fully paid up equity share of ₹.10 each upon payment of uncalled portion of the said shares of ₹.1.94 with a premium of ₹.242.60. The preference shares are entitled to receive dividend @ 0.001% as declared from time to time on a non-cumulative basis. OCPS will be converted into equity shares of the Company upon the Company meeting the certain performance milestones.

vii. Warrants convertible into equity shares

Based on the approval of the members taken in the Shareholders meeting dated 11 June 2019, the Company has made allotment of 50,000 Share Warrants which are convertible into equity share in the ratio of 1:1 at a price of ₹1,910 per share. These warrants are equally vested over a period of

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

	As at 31 March 2024		As at 31 March 2023		
Name of the equity shareholders	**Number**	**% holding**	**Number**	**% holding**	**% Change**
TPG ASIA VII SF PTE LTD	76,20,180	43.14%	76,20,180	43.24%	0.10%
Marigold Partners (represented by Kanumuri Mytreyi)	17,82,378	10.09%	17,82,378	10.11%	0.02%
Sunflower Partners (represented by Kanumuri Ranga Raju)	11,40,729	6.46%	11,40,729	6.47%	0.01%
Sai Quest Syn Private Limited	10,68,748	6.05%	10,68,748	6.06%	0.01%
HBM Private Equity India	10,55,732	5.98%	10,55,732	5.99%	0.01%
G. Subba Raju	9,38,730	5.31%	9,38,730	5.33%	0.02%

ix. Details of shares held by the promoters of the Company*:

	As at 31 March 2024		As at 31 March 2023		
Name of the promoters	**Number**	**% holding**	**Number**	**% holding**	**% Change**
Marigold Partners (represented by Kanumuri Mytreyi)	17,82,378	10.09%	17,82,378	10.11%	0.02%
Sunflower Partners (represented by Kanumuri Ranga Raju)	11,40,729	6.46%	11,40,729	6.47%	0.01%
Sai Quest Syn Private Limited	10,68,748	6.05%	10,68,748	6.06%	0.01%
G. Subba Raju	9,38,730	5.31%	9,38,730	5.33%	0.02%
Tulip Partners (represented by Kanumuri Mytreyi)	7,42,262	4.20%	7,42,262	4.21%	0.01%
Lily Partners (represented by Kanumuri Ranga Raju)	5,10,499	2.89%	5,10,499	2.90%	0.01%
K Krishnam Raju	2,95,000	1.67%	2,95,000	1.67%	0.00%
G.L.Tanuja	1,30,121	0.74%	1,30,121	0.74%	0.00%
K Sudha	50,000	0.28%	50,000	0.28%	0.00%
K Ranga Raju	14,000	0.08%	14,000	0.08%	0.00%
Kanumuri Mytreyi	6,000	0.03%	6,000	0.03%	0.00%
Continental Wines Pvt Ltd	1,967	0.01%	1,967	0.01%	0.00%

*For the purpose of disclosure, definition of promoter as per the Companies Act, 2013 has been considered.

x. Details of shareholders holding more than 5% preference shares CCPS in the Company

	As at 31 March 2024		As at 31 March 2023		
Name of the Preference shareholders & promoters	**Number**	**% holding**	**Number**	**% holding**	**% Change**
Marigold Partners (represented by Kanumuri Mytreyi)	1,68,134	35.03%	1,68,134	35.03%	0.00%
Sunflower Partners (represented by Kanumuri Ranga Raju)	1,67,866	34.97%	1,67,866	34.97%	0.00%
Tulip Partners (represented by Kanumuri Mytreyi)	72,058	15.01%	72,058	15.01%	0.00%
Lily Partners (represented by Kanumuri Ranga Raju)	71,942	14.99%	71,942	14.99%	0.00%

The rate of dividend is 0.001% p.a. on a non-cumulative basis for Compulsorily Convertible Preference Shares (CCPS) and Optionally Convertible Preference Shares (OCPS) of Rs. 10/- each. The Board of Directors of the Company approved dividend payout of not more than Rs.100 per share on the CCPS and OCPS of Rs.10/- each in their meeting on 20-June-2022.

Interim dividend of Rs. 34.5 Million, (Rs. 39.63 per preference share) was paid for the financial year ended March 31, 2023, based on the approval of

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

xi. Shares reserved for issue under options

(a) Employee stock option plan - 2004 ("ESOP 2004")

The Company established a plan ESOP 2004 under which 300,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Extraordinary General Meeting held on 13 September 2004. These options shall vest at the end of three years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Employee stock option plan - 2006 ("ESOP 2006")

The Company established a plan ESOP 2006 under which 350,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Annual General Meeting held on 16 August 2006. 60% of the options granted shall vest at the end of three years from the grant date and 40% of the options granted shall vest at the end of five years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Sai Employee stock option scheme - 2008 ("SESOS 2008")

The Company established a plan SESOS approved by the Shareholders at the Annual and Extraordinary General Meetings held on 11 September 2008 and 30 March 2009 respectively. As per the scheme, maximum number of employee stock options are restricted to 10% of paid up share capital of the Company. Out of which, 50% of the options granted shall vest at the end of two years from the grant date and the balance 50% of the options shall vest at the end of four years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.
Under this scheme, the company granted additional employee stock options approved by the Shareholders at the Extraordinary General Meeting held on 25 July 2018. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

Management ESOP scheme - 2018 ("MES 2018")

The Company established a plan MES 2018 approved by the Shareholders at the Extraordinary General Meeting held on 25 July 2018. As per the scheme maximum number of shares reserved under this scheme is 4% of the paid up equity capital of the Company on a fully diluted basis as on the Effective Date. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

The terms of the above schemes provide that each option entitles the holder to one equity share of ₹10 each and that the options can be settled only by way of issue of equity shares. The options granted are entirely time-based for ESOP 2004, ESOP 2006, SESOS 2008 MES 2018 and Amended MES 2018 is time and performance based

(b) During the year ended 31 March 2024, the Company had incurred stock compensation cost of ₹.22.54 (31 March 2023:

(c) Stock options activity is as follows:

	No. of options	
Under ESOP 2004 plan	**As at 31 March 2024**	**As at 31 March 2023**
Outstanding at the beginning of the year	2,000	2,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	(2,000)	-
Outstanding at the end of the year	-	2,000
Weighted average exercise price (₹)	30	30
Exercisable at the end of the year	-	2,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

Under SESOS 2008 scheme		
Outstanding at the beginning of the year	2,19,250	2,79,250
Granted during the year	1,48,000	-
Forfeited during the year	-	-
Exercised during the year	(35,014)	(60,000)
Outstanding at the end of the year	3,32,236	2,19,250
Weighted average exercise price (₹)	986.74	243.88
Exercisable at the end of the year	1,82,236	1,89,000
Under MES 2018 scheme		
Outstanding at the beginning of the year	5,86,375	5,21,750
Granted during the year	-	1,30,000
Forfeited/Lapsed during the year	(1,35,519)	(65,375)
Exercised during the year	(3,464)	-
Outstanding at the end of the year	4,47,392	5,86,375
Weighted average exercise price (₹)	1,310.18	1,304.52
Exercisable at the end of the year	1,97,392	1,60,375

(d) The fair value of options is estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:	As at 31 March 2024		As at 31 March 2023
	SESOS 20	**SESOS 2008**	**MES 2018**
Date of grant	**07-Dec- 23 &**	**19-Jun-23 &**	**18-July-22 & 17-Aug-22**
Risk-free interest rate	7.21%	7.32%	7.18%
Expected life (in years)	5	5	5
Expected volatility	33.00%	33.00%	16.18%
Expected dividend yield	0.00%	0.00%	0.00%

xii. During the period of five years immediately preceding the balance sheet date, no shares have been bought back, issued for

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

iii)	**Employee stock options outstanding account**		
	Balance at the beginning of the year	94.76	87.20
	Amount transferred on forfeiture of employee stock options	(4.71)	(0.58)
	Amount transferred on exercise of employee stock options	(6.48)	-
	Share-based payment expense	22.53	8.14
	Balance at the end of the year	**106.10**	**94.76**

iv)	**Retained earnings**		
	Balance at the beginning of the year	4,977.46	4,780.21
	Re-measurement of defined benefit obligation (net of tax)	6.05	23.30
	Amount transferred on forfeiture of employee stock options	4.71	0.58
	Dividend paid	-	(69.00)
	Profit for the year	952.31	242.37
	Balance at the end of the year	**5,940.53**	**4,977.46**

v)	**Cash flow hedge reserve**		
	Balance at the beginning of the year	(12.02)	(3.26)
	Effective portion of cash flow hedges (net of tax)	(5.90)	(8.76)
	Balance at the end of the year	**(17.92)**	**(12.02)**

18. Borrowings

Non-current		
(Secured - at amortized cost)		
Term loans		
From banks [refer note (i) to (xiii)]	3,358.59	3,272.64
	3,358.59	**3,272.64**
Less: Current maturities of long-term loans	586.13	662.95
	2,772.46	**2,609.69**

Terms and conditions of loans and nature of security

(i) Term loan amounting to ₹ 894.99 (31 March 2023: ₹994.65) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all net current assets both present and future of the Company. This loan carries interest rate of 6 months MCLR +0.55% and is repayable in unequal quarterly instalment commencing from June 2023 with last instalment falling due in March 2030.

(ii) Common Covid Emergency Credit Line (CCECL) amounting to ₹ 93.69 (31 March 2023: ₹ 140.67) is secured by way of pari passu second charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate equal to 6 months MCLR per annum + 1% with monthly rests and was repayable in equal Monthly instalments commencing from April 2022 and the last repayment falling due in April 2026.

(iii) Term loan amounting to ₹ Nil (31 March 2023: ₹ 97.28) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 1 year MCLR + 2.75 % Spread per annum and is repayable in unequal quarterly instalment commencing from September 2017 with last instalment falling due in March 2024.

(iv) Term loans (USD denominated) amounting to ₹ 18.67 (31 March 2023: ₹36.53) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. These loans carry interest rate of Secured overnight financing rate (SOFR) (compounded) + 276 bps (non-compounded) p.a., on the outstanding USD notional, monthly and are repayable in unequal quarterly instalments commencing from July 2017 with the last instalment falling due in March 2025.

(v) Term loan amounting to ₹ 8.55 (31 March 2023: ₹ 17.08) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of MCLR OD 1 Year + 0.15% per annum and was repayable in unequal quarterly instalments commencing from December 2017 and the last repayment falling due in March 2025.

(vi) Term loan amounting to ₹ 562.50 (31 March 2023: ₹ 637.50) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 7.5% Financial Benchmarks India Private Limited (FBIL) Overnight Mumbai Interbank Outright Rate (O/N MIBOR) (not compounded) + 305 bps (not compounded) on the outstanding INR Notional amount, monthly and was repayable in unequal quarterly instalments commencing from March 2022 and the last repayment falling due in December 2028.

(vii) Term loan (USD denominated) amounting to ₹ Nil (31 March 2023: ₹ 52.19) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of USD3M LIBOR + 3.25% p.a and is repayable in quarterly instalments commencing from November 2019 with the last instalment falling in August 2023.

(viii) Term loan amounting to ₹ 615.13 (31 March 2022: ₹ 707.82) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of 3 Months MCLR + 0.15% per annum and was repayable in unequal quarterly instalments commencing from November 2022 and the last repayment falling due in August 2027.

(ix) Term loan to ₹ 281.25 (31 March 2023: ₹ 393.75) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried 1 year MCLR + Spread of 1.05% p.a and was repayable in unequal quarterly instalments commencing from July 2021 and the last repayment falling due in April 2026.

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

(x) Working capital Term loan facility under Guaranteed Emergency Credit Line amounting to ₹ 66.99 (31 March 2023: ₹ 101.94) is secured by way of pari passu second charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 3m T-bill Rate + 3.6% Spread p.a and was repayable in equal Monthly instalments commencing from March 2021 and the last repayment falling due in March 2026.

(xi) Working capital Term loan facility under Guaranteed Emergency Credit Line amounting to ₹ 67.62 (31 March 2023: ₹93.23) is secured by way of pari passu First Charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 1Y MCLR+0.15% which ever is lower and was repayable in equal Monthly instalments commencing from April 2022 and the last repayment falling due in March 2026.

(xii) Term loan amounting to ₹ 499.50 is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried 3m T-bill Rate + 1.40% spread and was repayable in equal quarterly instalments commencing from Sept 2025 and the last repayment falling due in June 2030.

(xiii) Term loan amounting to ₹ 249.70 is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried Repo + Spread of 1.85% p.a and was repayable in equal quarterly instalments commencing from June 2025 and the last repayment falling due in March 2030.

(xiii) The Company has used the borrowings for the purposes for which it was taken.

18.	**Borrowings (continued)**	**As at 31 March 2024**	**As at 31 March 2023**
	Short term borrowings		
	(Secured - at amortized cost)		
	Working capital loans from banks*	3,436.96	3,555.95
	Current maturities of long-term loans	586.13	662.95
	Working capital loans repayable on demand - Buyers credit facility	306.08	163.70
		4,329.17	**4,382.60**
	* Includes overdraft facilities classified as cash & cash equivalents for the purpose of cash f	(116.88)	(343.83)

Note: The above borrowings are secured by way of hypothecation of the Company's goods, book debts, movables and other assets. Interest rate ranges between 7.5% to 9.5% p.a and the loans are revolving on an annual basis.

The quarterly returns of current assets filed by the Company with banks are in agreement with books of accounts.

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

Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at 31 March 2023	Net Proceeds/ (Repayments)	Non cash changes*	As at 31 March 2024
Non-current borrowings (including current maturities)	3,272.64	82.72	3.23	3,358.59
Current borrowings (excluding overdraft facilities) (refer note above)	3,375.82	248.93	1.41	3,626.16
Total	**6,648.46**	**331.65**	**4.64**	**6,984.75**

* Non cash changes includes foreign exchange changes of ₹ 3.44.

Particulars	As at 31 March 2022	Net Proceeds/ (Repayments)	Non cash changes*	As at 31 March 2023
Non-current borrowings (including current maturities)	3,472.59	(232.76)	32.81	3,272.64
Current borrowings (excluding overdraft facilities) (refer note above)	4,038.96	(664.37)	1.23	3,375.82
Total	**7,511.55**	**(897.13)**	**34.04**	**6,648.46**

* Non cash changes includes foreign exchange changes of ₹ 32.55.

19. Lease liabilities *

Non-current	1,215.49	1,366.77
Current	358.98	329.17
	1,574.47	**1,695.94**

*Refer note 44

20. Other financial liabilities

Non-current		
Optionally convertible preference shares (OCPS) pursuant to Scheme of Arrangement (refer note 16(vi))	4.80	4.80
Derivative liabilities - FVTOCI	8.53	32.47
	13.33	**37.27**
Current		
Interest accrued but not due on borrowings	16.58	13.77
Capital creditors (refer note (b) below)	273.81	214.02
Derivative liabilities - FVTOCI	27.14	-
	317.53	**227.79**

a) Details of shareholders holding more than 5% Optionally convertible preference shares (OCPS)

	As at 31 March 2024		As at 31 March 2023		
Name of the Preference shareholders & promoters	**Number**	**% holding**	**Number**	**% holding**	**% Change in**
Marigold Partners (represented by Kanumuri Mytreyi)	2,10,168	35.03%	2,10,168	35.03%	0.00%
Sunflower Partners (represented by Kanumuri Ranga Raju)	2,09,832	34.97%	2,09,832	34.97%	0.00%
Tulip Partners (represented by Kanumuri Mytreyi)	90,072	15.01%	90,072	15.01%	0.00%
Lily Partners (represented by Kanumuri Ranga Raju)	89,928	14.99%	89,928	14.99%	0.00%

b) Capital creditors include outstanding dues of micro enterprises and small enterprises to the extent of ₹61.16 (31 March 2023: ₹ 50.3) (refer note

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

21. Provisions	As at 31 March 2024	As at 31 March 2023
Non-current		
Gratuity	139.37	123.12
Compensated absences	51.30	43.64
	190.67	**166.76**
Current		
Gratuity	43.02	38.81
Compensated absences	40.42	33.21
	83.44	**72.02**

Employee benefits

The Company has the following post -employment benefits plans:

(a) **Defined contribution plan**

The following amount has been recognised as an expense in statement of profit and loss account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities

Contribution to provident fund	86.23	74.61
Contribution to employees state insurance	0.19	0.38
	86.42	**74.99**

(b) **Gratuity**

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 day's last drawn salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit/death/disablement, restricted to a sum of ₹ 2.00 in accordance with Payment of Gratuity Act, 1972.This defined benefit plan exposes the company to actuarial risk such as longevity, interest rate risk and market risk & inflation risk.

21. Provision for employee benefits (continued)	As at 31 March 2024	As at 31 March 2023
(i) **Change in defined benefit obligation**		
Defined benefit obligation at the beginning of the year	161.93	169.10
Current service cost	39.43	41.22
Interest cost	10.95	9.32
Actuarial (gain)/loss on obligation		
Loss from change in demographic assumptions	-	(4.41)
Loss/(gain) from change in financial assumptions	(4.68)	(11.95)
Loss/(gain) on account of experience adjustments	(3.40)	(14.77)
Benefits paid	(18.73)	(26.58)
Transferred In / (Out) Liability	(3.12)	-
Defined benefit obligation at the end of the year	**182.38**	**161.93**

(iii) **Expense recognised in the statement of profit and loss**	As at 31 March 2024	As at 31 March 2023
Included under employee benefits		
Interest cost	10.95	9.32
Service cost	39.43	41.22
Net gratuity costs	**50.38**	**50.54**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)
(All amounts in Indian Rupees millions except share data and where otherwise stated)

(iv)	**Expense recognised in other comprehensive income**		
	Recognised net actuarial loss/(gain)	(8.08)	(31.13)
		(8.08)	**(31.13)**
(v)	**Key actuarial assumptions**		
	Discount rate	7.10%	7.18%
	Salary escalation rate	8.00%	9.00%
	Expected average remaining service	3.09	3.09
	Mortality	IALM (2012-14)	IALM (2012-14) Ultimate
	Attrition rate	24.00%	24.00%
	Retirement age-years	58	58

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to these assumptions. However, the impact of

(vi) **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in the benefit obligation being as follows:

Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
	Increase in rate	**in rate**	**ease in rate**	**rate**
Discount rate (+ / - 1% movement)	176.37	188.86	156.56	167.72
Salary escalation rate (+ / - 1% movement)	187.59	177.44	166.49	157.60

Maturity profile of the defined benefit obligation

Expected cash flows over the next :	**31 March 2024**	**1 March 2023**
1 year	43.02	38.81
2 - 5 years	110.33	97.30
6 - 10 years	62.47	55.51

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 2.78 years (As at 31 March 2023: 2.7

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years. During the year ended 31 March 2024, the Company has incurred an expense on compensated absences amounting to ₹ 31.46 (31 March 2023 : ₹ 31.07). The

22.

Deferred tax liabilities (net)	**As at 31 March 2024**	**As at 31 March 2023**
Deferred tax liabilities (assets) arising on account of :		
Property, plant and equipment	591.50	537.85
Contract assets	321.42	145.99
Lease liabilities	(396.18)	(441.00)
ROU assets	461.11	465.00
Other non-current assets / financial liabilities	-	(0.31)
Provision for employee benefits	(68.90)	(60.10)
Provision for trade receivables and advances	(41.03)	(33.25)
Derivative instruments - FVTOCI	(5.03)	(9.38)
Deferred tax liabilities (net)	**862.89**	**604.80**

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

23. Trade payables	As at 31 March 2024	As at 31 March 2023
Considered good,		
(A) Total outstanding dues of micro enterprises and small enterprises (refer note 43)	90.07	80.90
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,814.83	1,891.38
	1,904.90	**1,972.28**

* Includes amount payable to related parties - (refer note 39)

As at31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i). MSME	74.98	8.09	7.00	-	-	90.07
(ii) Others	1,284.39	328.18	9.84	9.63	0.30	1,632.34
(v). Unbilled Dues	182.49	-	-	-	-	182.49
Total	**1,541.86**	**336.27**	**16.84**	**9.63**	**0.30**	**1,904.90**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i). MSME	60.75	14.30	5.85	-	-	80.90
(ii) Others	1,054.50	719.86	7.76	3.66	-	1,785.78
(v). Unbilled Dues	105.60	-	-	-	-	105.60
Total	**1,220.85**	**734.16**	**13.61**	**3.66**	**-**	**1,972.28**

24. Other liabilities	As at 31 March 2024	As at 31 March 2023
Current		
Advance from customers	96.67	272.88
Payable to statutory authorities	141.69	104.88
	238.36	**377.76**
25. Current tax liabilities (net)		
Provision for income tax, net of advance tax ₹.Nil (31 Mar 23 ₹.75.32)	-	31.99
	-	**31.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

		For the year ended 31 March 2024	For the year ended 31 March 2023
26.	**Revenue from operations**		
	activities	14,222.27	11,372.13
	Other operating income		
	Income from export incentives (RODTEP)	1.45	-
	Income under production linked incentive*	(36.90)	201.90
		14,186.82	**11,574.03**

*Government of India has launched Production Linked Incentive Scheme (PLI) for Pharmaceuticals industry on 03 March 2021 to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. The Company's application for a PLI incentive of ₹ 201.90 during the financial year 2022-23 got approved in the current year. The DOP issued a revision restricting the outlay in year 1 to extent of 33% of the overall scheme amount of ₹ 500.00 i.e. ₹ 165.00 and accordingly, the Company has reversed production linked incentive of ₹ 36.90.

Disaggregation of revenue from contract research, development and manufacturing activities :

Particulars		
Contract Development and Manufacturing	9,715.53	7,298.30
Contract Research	4,506.74	4,073.83
Total	**14,222.27**	**11,372.13**

Reconciliation of Revenue from operations with contract price (excluding Other Operating Income) :

Particulars		
Contract price	14,244.35	11,372.13
Less : adjustment made to contract price on account of		
Sales return	(22.08)	-
Total	**14,222.27**	**11,372.13**

Disaggregation of revenue from contract research, development and manufacturing activities into over time and at a point in time :

Timing of recognition		
At a point in time	5,152.21	5,239.19
Over time	9,070.06	6,132.94
Total	**14,222.27**	**11,372.13**

27.	**Other income**		
	Interest income from deposits	135.14	94.17
	Interest income on financial assets at amortised cost	0.83	0.77
	Foreign exchange gain (net)	150.84	172.97
	Interest on income tax refund	-	11.70
	Profit on Sale of Property, plant and equipment	0.10	-
	Others	6.41	-
		293.32	**279.61**
28.	**Cost of material, chemicals & reagents consumed**		
	Raw material and packing material at the beginning of the year	868.51	753.60
	Add: Purchases/adjustments	3,844.79	4,246.11
	Less: Raw material and packing material at the end of the year	(625.47)	(868.51)
		4,087.83	**4,131.20**
29.	**Changes in inventories of work-in-progress**		
	Opening balance		
	- Work-in-progress	438.77	392.89
	(A)	**438.77**	**392.89**
	Closing balance		
	- Work-in-progress	200.73	438.77
	(B)	**200.73**	**438.77**
	(A) - (B)	**238.04**	**(45.88)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Continued)

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

30.	**Employee benefits expense**		
	Salaries, wages and bonus (refer note (a) below)	3,956.83	3,246.37
	Contribution to provident and other funds	86.42	74.99
	Gratuity expense	50.38	50.54
	Equity settled share based payment expense	22.53	8.14
	Staff welfare expenses	190.13	157.53
		4,306.29	**3,537.57**

(a) Includes contract labour charges of ₹ 321.53 (31 March 2023: ₹ 274.46)

31.	**Finance costs**		
	Interest on financial liabilities measured at amortised cost (net of borrowing cost of ₹ 18.49 (31 March 2023 : ₹ 28.96) capitalised to property, plant and equipment)	600.85	478.53
	Interest on lease liabilities	191.67	177.07
	Interest on MSME payables	3.03	1.57
	Interest - others	1.69	49.25
	Other - Borrowings cost	-	-
		797.24	**706.42**
32.	**Depreciation and amortisation expense**		
	Depreciation of property, plant & equipment (refer note 6)	694.88	566.41
	Depreciation on right-of-use assets (refer note 7)	293.07	268.45
	Amortisation of intangible assets (refer note 8)	84.18	42.87
		1,072.13	**877.73**
33.	**Other expenses**		
	Consumption of stores and spares	440.29	382.62
	Power and fuel	494.91	437.26
	Rent	2.75	50.89
	Repairs and maintenance:		
	- Buildings	18.85	36.71
	- Plant and equipment	178.56	172.32
	- Others	165.55	214.31
	Insurance	70.92	68.78
	Rates and taxes	24.26	36.72
	Outside contract cost	56.86	39.27
	Carriage and freight outwards	51.12	74.44
	Communication expenses	19.06	11.26
	Office maintenance and housekeeping expenses	41.32	43.79
	Travelling and conveyance	89.91	78.72
	Legal and professional fees (refer note (i) below)	717.38	440.58
	Corporate social responsibility (CSR) expenditure (refer note (ii) below)	9.38	17.45
	Provision towards doubtful trade receivables (refer note 37B)	0.66	11.52
	Bad debts written off (net of recoveries) (refer note 37B)	62.04	67.96
	Provision towards doubtful advances	13.66	-
	Advances written off	10.72	-
	Bank charges	14.26	37.36
	Net loss on disposal of property, plant and equipment	-	5.67
	Sales promotion expenses	30.45	11.14
	Membership and subscription	92.92	66.98
	Printing and stationery	18.62	13.70
	Asset under CWIP written off	61.86	-
	Miscellaneous expenses	2.25	0.28
		2,688.56	**2,319.73**

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

(i) **Details of Auditor's remuneration :**		
As auditor:		
- Audit fee	5.77	5.25
- Certification fees	1.59	4.57
- Reimbursement of expenses	0.49	0.29
	7.85	**10.11**

33. Other expenses (continued)

(ii) Details of CSR expenditure :

As required under Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. During the year, the Company was required to spend ₹ 9.38 (March 2023 - ₹ 17.45). The Company has spent the CSR amount towards

1. Contributing through Technology
2. Conducting free medical program in rural areas and sponsorship for cancer child patient
3. Promoting education in rural areas and career development programme
4. Providing water storage.

Amount spent during the year on:		
i) Gross amount required to be spent by the Company during the year	9.38	17.45
ii) Amount spent during the year on the above	9.38	17.45
iii) Shortfall at the end of the year	-	-
iv) Total of previous year shortfall	-	-
v) Reason for shortfall	N/A	N/A
vi) Nature of activity	See note above	See note above

34. Income tax

Income tax		
Tax expense comprises of:		
Current tax	79.69	107.31
Deferred tax	258.05	(22.81)
Income tax expense reported in the statement of profit or loss	**337.74**	**84.50**

During the year ended 31 March 2022, the Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss is as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit before tax	1,290.05	326.87
Tax at the Indian tax rate (25.17%) [31 March 2023: 25.17%]	324.68	82.27
Effect of concessions (80JJAA)	(5.44)	(3.94)
Disallowance of CSR expenditure	2.36	4.39
Others	16.14	1.78
Income tax expense	**337.74**	**84.50**

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

33. Other expenses (continued)

(ii) Details of CSR expenditure :

As required under Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. During the year, the Company was required to spend ₹ 9.38 (March 2023 - ₹ 17.45). The Company has spent the CSR amount towards

1. Contributing through Technology
2. Conducting free medical program in rural areas and sponsorship for cancer child patient
3. Promoting education in rural areas and career development programme
4. Providing water storage.

Amount spent during the year on:		
i) Gross amount required to be spent by the Company during the year	9.38	17.45
ii) Amount spent during the year on the above	9.38	17.45
iii) Shortfall at the end of the year	-	-
iv) Total of previous year shortfall	-	-
v) Reason for shortfall	N/A	N/A
vi) Nature of activity	See note above	See note above

34. Income tax

Income tax		
Tax expense comprises of:		
Current tax	79.69	107.31
Deferred tax	258.05	(22.81)
Income tax expense reported in the statement of profit or loss	**337.74**	**84.50**

During the year ended 31 March 2022, the Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss is as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit before tax	1,290.05	326.87
Tax at the Indian tax rate (25.17%) [31 March 2023: 25.17%]	324.68	82.27
Effect of concessions (80JJAA)	(5.44)	(3.94)
Disallowance of CSR expenditure	2.36	4.39
Others	16.14	1.78
Income tax expense	**337.74**	**84.50**

35. Earnings per equity share [EPES]

Profit attributable to equity shareholders	952.31	242.37
Weighted average number of equity shares outstanding during the year *	1,81,15,947	1,80,58,176
Effect of dilution:		
Employee stock options	1,73,375	1,82,311
Weighted average number of equity shares adjusted for the effect of dilution	1,82,89,322	1,82,40,487
Earnings per equity share (in absolute ₹ terms) :		
Basic	52.57	13.42
Diluted	52.07	13.29
Nominal Value per share equity share	10	10

During the year ended 31 March 2024 and 31 March 2023, the Company has not considered the Share warrants of 50,000 and 37,500 respectively which are convertible into equity shares being anti-dilutive.

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

36. Fair value measurements

Risk management framework:

The Company's principal financial liabilities, comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTOCI investments and investment in its subsidiary.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(i) Financial assets and financial liabilities measured at fair value

	Level 1		Level 2		Level 3	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial assets - Unlisted equity instruments measured at FVTOCI* and derivative instruments designated in hedge accounting relationship	-	-	16.08	20.78	18.68	18.68
Financial liabilities - Derivative financial instruments - loss on outstanding foreign exchange forwards, options, currency swap contracts and interest rate swap contracts(1)	-	-	35.67	32.47	-	-

(1) The Company enters into derivative financial instruments with various counterparties, principally banks. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forwards. These derivative financial instruments are valued based on the inputs that are directly or indirectly observable in the market place.

*These are held for operational purposes and the Company estimates that the fair value of these investments are not materially different as compared to their cost.

Financial instruments by category

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	-	18.68	783.98	-	18.68	783.98
Trade receivables	-	-	2,587.94	-	-	2,771.53
Cash and cash equivalents	-	-	168.61	-	-	635.95
Other bank balances	-	-	1,351.43	-	-	164.24
Other financial assets	-	16.08	817.81	-	20.78	1,790.53
Total financial assets	**-**	**34.76**	**5,709.77**	**-**	**39.46**	**6,146.23**

36. Fair value measurements (continued)

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	7,101.63	-	-	6,992.29
Lease liabilities	-	-	1,574.47	-	-	1,695.94
Trade payables	-	-	1,904.90	-	-	1,972.28
Other financial liabilities	-	35.67	295.19	-	32.47	232.59
Total financial liabilities	**-**	**35.67**	**10,876.19**	**-**	**32.47**	**10,893.10**

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

(ii) Measurement of fair values

Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs
Forward exchange contract	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency	Not applicable
Interest rate swaps and Cross Currency swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable

(iii) Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2023-24 and no transfers in either direction in 2022-23.

37. Financial instruments risk management

A. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, lease liabilities, deposits, trade receivables and other financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions; and non-financial assets and liabilities.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rate had been 10 basis points higher/lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all

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

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of change in foreign exchange rates. The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars and Euros) and foreign currency borrowings (primarily in US Dollars). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows.

Financial assets

	31 March 2024				31 March 2023			
	Investments	Trade receivables	Balances in bank	Other assets	Investments	Trade receivables	Balances in bank	Other assets
- USD	666.77	2,444.53	26.46	93.76	666.77	2,566.16	(4.42)	10.10
- EUR	2.11	158.73	-	-	2.11	154.88	-	1.33
- GBP	-	52.86	38.65	-	-	115.04	15.78	0.85
- Others	-	2.60	2.80	-	-	3.51	3.43	1.28

Financial liabilities

	31 March 2024			31 March 2023		
	Borrowings#	Trade payables	Capital creditors	Borrowings#	Trade payables	Capital creditors
- USD	402.89	209.07	29.39	328.69	645.20	72.99
- EUR	10.08	0.09	13.71	-	-	10.06
- GBP	-	114.84	8.75	6.16	11.26	-
- Others	-	3.55	-	-	-	-

This amount includes interest accrued

37. Financial instruments risk management (continued)

(b) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The

Particulars	Impact on income & equity	
	31 March 2024	31 March 2023
USD sensitivity		
₹/USD - Increase by 1%	25.90	21.92
₹/USD - Decrease by 1%	(25.90)	(21.92)
EUR sensitivity		
₹/EUR - Increase by 1%	1.37	1.48
₹/EUR - Decrease by 1%	(1.37)	(1.48)
GBP sensitivity		
₹/GBP - Increase by 1%	(0.32)	1.14
₹/GBP - Decrease by 1%	0.32	(1.14)

(c) Derivative financial instruments

The following table gives details in respect of outstanding derivative contracts. The counterparty for these contracts are banks.

			31 March 2024	
	Sell	Buy	No of contracts	Amount in Millions
Forward contract	US$	₹	237	$ 77.69
Forward contract	Euro$	₹	12	$ 4.50
Forward contract	₹	US$	2	$ 1.00
Interest rate swaps INR (floating to fixed)			2	₹ 651.15
Interest rate swaps USD (floating to fixed)			1	$ 0.28

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the

B. Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The Company has established a credit mechanism under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored.

The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 2,587.94 (31 March 2023: ₹ 2,771.53) The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for doubtful receivables	As at 31	As at 31 March
Opening balance	116.22	104.70
Provision towards doubtful trade receivables	62.70	79.48
Amounts written off	(62.04)	(67.96)
Closing balance	**117.00**	**116.22**

37 Financial instruments risk management (continued)

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's principal sources of liquidity are the cash flows generated from operations. Further the Company also has long term borrowings and working capital facilities which the management believes are sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

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

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

31 March 2024	Carrying amount	Total
Non-derivative financial liabilities		
Borrowings	7,101.63	**7,137.50**
Lease liabilities	1,574.47	**2,092.02**
Trade and other payables	1,904.90	**1,904.90**
Other financial liabilities	295.19	**295.19**
Total	**10,876.19**	**11,429.61**

31 March 2023	Carrying amount	Total
Non-derivative financial liabilities		
Borrowings	6,992.29	**7,015.07**
Lease liabilities	1,695.94	**2,517.89**
Trade payable	1,972.28	**1,972.28**
Other financial liabilities	232.59	**232.59**
Total	**10,893.10**	**11,737.83**

38 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously reviewing its strategies to optimize the returns and reduce the risks. It includes plans to optimize

The capital for the reporting year under review is summarized as follows:

	31 March 2023
Total borrowings (note 18)	6,992.29
Less: Cash and cash equivalents (note 15(i))	635.95
Less: Other bank balances (note 15 (ii)) and Deposits classified under Other financial assets (note 10)	1,514.24
Net debt (A)	**4,842.10**
Total equity (B)	9,127.32
Net debt to equity ratio (A)/(B)	**0.53**

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

39. Related party disclosures

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

Names of related parties	Nature of relationship
TPG Asia VII SF Pte Ltd	Entity having significant influence on the Company
Sai Life Sciences Inc, USA	Subsidiary Company
Sai Life Sciences GMBH, Germany	Subsidiary Company
Sai Life Pharma Private Limited	Subsidiary Company
Sai Quest Syn Private Limited	Entities in which KMP have control or have significant influence
Dr. K Ranga Raju Krishnam Raju Sivaramakrishnan Chittor Runa Karan	Key management personnel ("KMP")
Dr. Raju A Penmasta Puneet Bhatia Mitesh Daga	Director
Rajagopal S. Tatta Manjusha Ambadas Joshi (w.e.f. 09 June 2023) Ganesh Ramesh Iyer (w.e.f. 21 May 2024)	Independent Director

Note : Sai Life Drugform Private Limited-subsidiary

(b) **Transactions with related parties**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Transactions with subsidiary companies		
Marketing cross charge	**405.73**	**333.61**
- Sai Life Sciences Inc.	370.92	302.31
- Sai Life Sciences GMBH	34.81	31.30
Research Services Provided	**26.83**	**54.92**
- Sai Life Sciences Inc	26.83	54.92
Investment in equity share capital	**-**	**148.50**
- Sai Life Sciences Inc	-	148.50
Issue of Standby Line of Credit	**36.20**	**35.68**
- Given to vendor on behalf of Sai Life Sciences Inc	36.20	35.68
Transactions with Subsidiaries	**138.58**	**93.79**
- Sai Life Pharma Private Limited (Rent expenses)	1.38	1.35
- Sai Life Pharma Private Limited (FTE cross charge)	16.92	-
- Sai Life Sciences Inc (Purchases of Lab consumables)	91.93	92.44
- Sai Life Sciences Inc (Service fee incurred for procurement of lab consumables)	28.35	-
Transactions with independent directors	**5.39**	**6.42**
Commission	4.45	6.06
Sitting fees	0.31	0.36
Reimbursement of expenses	0.63	-
Transactions with KMP	**94.81**	**89.25**
Managerial remuneration*	94.81	89.25

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

(c)

Balances outstanding	**As at 31 March 2024**	**As at 31 March 2023**
Payables		
Subsidiary company	**38.91**	**-**
- Sai Life Sciences Inc	32.35	-
- Sai Life Pharma Private Limited	6.56	-
Receivables		
Subsidiary companies	**179.64**	**73.91**
- Sai Life Sciences Inc	167.88	73.91
- Sai Life Sciences GMBH	11.76	-
Advances Given		
Subsidiary companies	**58.02**	**45.31**
- Sai Life Sciences Inc	41.62	44.28
- Sai Life Sciences GMBH	16.40	0.79
- Sai Life Pharma Private Limited	-	0.24
Investment in equity share capital	**783.98**	**784.08**
- Sai Life Sciences Inc	666.77	666.77
- Sai Life Sciences GMBH	2.11	2.11
- Sai Life Pharma Private Limited	115.10	115.10
Issue of Standby Line of Credit		
- Given to vendor on behalf of Sai Life Sciences Inc	36.20	35.68

39. Related party disclosures (continued)

*KMP are covered by the Company's mediclaim insurance policy and are eligible for gratuity and leave encashment along with other employees of the Company. The proportionate premium paid towards this policy and provision made for gratuity and leave encashment pertaining to the KMP has not been included in the aforementioned disclosures as these are not determined on an individual basis.

(d) **Transaction with related parties**

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm’s length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2024. In opinion of the management, the same would not have an impact on these financial statements.

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

40. Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment'and believes that the Company has only one reportable segment namely "Contract research and manufacturing". Geography-wise details of the Company's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) and revenue from major customers are given below:

	For the year ended	
(i) Revenue from External customers	**31 March 2024**	**31 March 2023**
India	301.21	207.57
Outside India	13,921.06	11,164.56
(ii) Non-Current Assets (Other than financial instruments)		
India	11,026.28	9,911.63
Outside India	1,019.45	1,046.04

(iii) Major Customer

During the year, the Company does not have any customer who contributed more than 10% of the Company's total revenue (31 March 2023: ₹ 1,260.28).

41. Contingent liabilities and commitments

		As at	
		31 March 2024	**31 March 2023**
(a)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net	491.15	410.82
(b)	**Contingent liabilities**		
	a. Claims arising from disputes not acknowledged as debts in respect of:		
	Excise duty liabilities - refer note (c) (i) below	7.25	7.25
	Service tax liabilities - refer note (c) (ii) below	12.36	12.36
	Provident Fund Damages relating to PF contribution of international workers - refer note (c) (iii) below	21.89	21.89
	Income tax liabilities - refer note (c) (iv) & (x) below	18.27	16.23
	VAT liabilities - refer note (c) (v) below	67.56	59.25
	GST liabilities - refer note (c) (vi) and (vii) below	77.31	4.22
	b. Issue of Standby Line of Credit to vendor on behalf of Subsidiary	36.20	35.68

(c) (i) The Central Excise department has raised a demand against the Company on the ground that the Company has not complied with the conditions of Notification No 23/2003 – CE dated 31 March 2003. As per the said notification, an Export Oriented Unit (EOU) unit can clear the goods into Domestic Tariff Area (DTA) on payment of excise duty at a concessional rate upto 50% of the Free on Board (FOB) value of the exports on the sale of similar goods to DTA. The central excise officer has held that the goods sold in DTA are different from the goods which are exported. Accordingly raised the above demand along with interest and penalty. Appeal is filed before Central Excise and Service Tax Appellate Tribunal ('CESTAT') and waiting for personal hearing.

(ii) The Service tax department has raised a demand on the ground that that the Place of Provision of Service is in India and as such there is no export of service by the Company applying Rule 4 of Place of Provision of Service Rules, 2012. (POPS Rules) with respect to Drug Metabolism and Pharmacokinetic (DMPK) services rendered by the Company. Appeal filed before CESTAT- Pune, on 27 April 15 and Final Order received. Appeal is filed before Honourable High Court on 9 Dec 19 and Personal Hearing is attended on 27 Feb 20. Appeal has been admitted by Hight court on 5th July 2022.

(iii) The Company had three Non resident Indians on its rolls covered under the definition of International Workers as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Based on the Government Order, in June 2017, the Company suo moto made a payment of provident fund along with the applicable interest rates.
However, on April 25, 2018, the Company received a notice from the Department stating that from the period 01 April 1996 to 31 March 2018, the Company had delays in deposit of Provident fund amount and accordingly, charged interest and damages under Section 14B and Section 7Q of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to the extent of ₹.13.15 and ₹.21.89 for interest and damages respectively.
The Company has represented the case stating that interest payments were made appropriately. The PF authorities took the such interest payment on record and gave a corrigendum stating the same.
The Company is still contesting the damages payment of ₹ 21.89. The Company addressed a letter dated October 22, 2020 to the Regional Provident Fund Commissioner, requesting it to refrain from taking any such coercive action against the Company and reserved its right to exercise its rights and remedies under law. However, since no presiding officer had been appointed for hearing matters before the Central Government Industrial Tribunal ("CGIT") at that time, the Company filed the present writ petition bearing Writ Petition No. 19867 of 2020 against the RPFC for the setting aside of the Impugned Order as being arbitrary, illegal and violative of Article 14 of the Constitution of India. The matter was listed on November 19, 2020, wherein, the High Court passed an interim order granting a stay on the Impugned Order. However, as on date, there is no further order with regard to the said damages. Apart from the proceedings before the High Court of Telangana, an appeal was also filed by the Company challenging the Impugned Order before the CGIT under Section 7-I of the EPF Act. The matter was listed for admission on April 26, 2021. The CGIT, vide, an order passed on April 26, 2021, observed that the present appeal was admitted subject to the final order passed by the High Court of Telangana. The said order held that the application for stay as filed by the Client would be considered upon obtaining such a final order.

(iv) During the previous years the Company has received a demand from income tax authorities relating to financial year 2015-16, 2016-17 & 2017-18 regarding certain disallowances in the income tax return of that year. The Company has filed an appeal and is pending hearing. In the current year, the Company has received favorable order for the financial year 2015-16 and 2017-18.

41. Contingent liabilities and commitments

(v) The Company has litigations under Maharashtra Value Added Tax ('MVAT') Act, 2002 and Central Sales Tax ('CST') Act, 1956 for the years 2009-10 to 2016-17, and for the quarter 1 April 2017 to 30 June 2017. For the years 2009-10 to 2013-14, the Company is in appeal before the Maharashtra Sales Tax Tribunal and for the years 2014-15 to 30 June 2017, the Company is in appeal before the Joint Commissioner (Appeals). The issue pertains to eligibility of refund of Input Tax Credit ('ITC) under MVAT Act.

The tax authorities have raised objection that transfer of deliverables (technical know-how) to the Customer of the Company is a service and not sale of goods. Therefore, the tax authorities at the first level have disallowed ITC and rejected the claim of refund of unutilised ITC of the Company. However, in this regard, the Company believes that transfer of deliverables to the Customer is sale of goods and the Company is eligible for ITC and the refund of unutilized ITC.

(vi) The Company has received order from the officer where he has disallowed the transitional ITC and levied interest and penalty total amounting to ₹.4.22. Appeal is filed before Deputy Commissioner of State Tax, Office of the Deputy Commissioner of State Tax, Pune in the year ending March 2023. The Company is waiting for personal hearing.

(vii) During the current year, the Company has received order from the GST Enforcement Authorities, Gulbarga having jurisdiction over Bidar unit of the Company demanding tax along with interest and penalties on 'Marketing support' services received from M/s. Sai Life Sciences Inc., USA for the financial years 2017-18 and 2018-19. Total amount involved along with interest and penalty is ₹.73.09. The Company has filed an appeal before Commissioner (GST Appeals), Gulbarga for the financial year 2017-18 and waiting for personal hearing. With regards to financial year 2018-19, the Company is in process of filing appeal before Commissioner (GST Appeals), Gulbarga.

(viii) The Company is subject to various legal proceedings and claims, which have arisen in the ordinary course of business including litigation pending before various tax authorities, including those mentioned in above points. The uncertainties and possible refunds are dependent on the outcome of different legal processes, which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be accurately predicted . The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.
(ix) Subsequent to the closure of book of accounts for the year ending March 2024, the Company has received Order dated 30 April 2024 for tax demand of ₹ 4.5 regarding the audit of Telangana GST registration for the financial year 2018-19. The Company is in process of evaluating the grounds for filing an appeal before the appellate authorities.
(x) The Company has received a demand notice dated 23 March 2024 relating to Assessment Year 2022-23 from the Commissioner of Income Tax (Appeals) for ₹ 18.27. The Company has filed an appeal and is pending for hearing.

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

42. Other statutory disclosures

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii) The Company does not have any transactions with companies struck off.

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

vi) 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 the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) 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 Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) The Company has not any such transaction which is not recorded in the books of account 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

43. Micro, Small and Medium Enterprises

Disclosure in respect of the amounts payable to micro and small enterprises as at 31 March 2024 & 31 March 2023 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

	31 March 2024	31 March 2023
The principal amount remaining unpaid to any supplier as at the end of each accounting year*	141.29	124.29
Interest due thereon remaining unpaid to any suppliers	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	3.03	1.57
The amount of interest accrued and remaining unpaid at the end of the year**	9.94	6.91
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	-	-

* Includes amounts payable to trade creditors ₹ 80.13 (31 March 2023: ₹ 73.99) and capital creditors ₹ 61.16 (31 March 2023: ₹ 50.30)

** Includes amounts payable to trade creditors ₹ 9.94 (31 March 2023: ₹ 6.91)

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on the information provided by the management.

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

44 Leases

Company as a lessee : The Company has lease contracts for land, buildings, plant and equipment, vehicles and computers, 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 31 March 2024	As at 31 March 2023
Opening balance	1,695.94	1,507.68
Additions	303.98	496.02
Deletions	(29.23)	(4.44)
Accretion of interest	191.67	177.07
Payments	(587.89)	(480.39)
Closing balance	**1,574.47**	**1,695.94**
Current	358.98	329.17
Non-current	1,215.49	1,366.77

Amount recognised in Statement of Profit and Loss

Particulars	For the year ended	
	31 March 2024	31 March 2023
Depreciation: Right-of-use assets	293.07	268.45
Finance cost: Interest on lease liabilities	191.67	177.07
Short term and variable lease payments (Refer note below)	2.75	50.89

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

Cash outflows for leases		
Interest portion of lease liabilities	191.67	177.07
Principal portion of lease liabilities	396.22	303.32

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

45 Ratios

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance	Remarks
Current Ratio	Current Assets	Current Liabilities	1.32	1.29	2.3%	NA
Debt-Equity Ratio	Total Debt(1)	Shareholder's Equity	0.51	0.53	-3.8%	NA
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt service(3)	2.65	1.60	65.6%	Increase is primarily on account of increase in profits
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	9.90%	2.68%	269.4%	Increase is primarily on account of increase in profits
Inventory Turnover Ratio	Cost of goods sold(7)	Average Inventory	3.86	3.09	24.9%	Increase is primarily on account of increase in revenue
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	5.29	4.50	17.6%	NA
Trade Payables Turnover Ratio	Cost of goods sold(7)+Other expense	Average Trade Payable	3.62	3.30	9.7%	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital(4)	6.22	5.45	14.1%	NA
Net Profit Ratio	Net Profit	Revenue from Operations	6.71%	2.09%	221.1%	Increase is primarily on account of increase in profits
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	14.00%	7.00%	100.0%	Increase is primarily on account of increase in profits
Return on Investment (6)	Income generated from investments	Investments	Not Applicable			

(1) Long-Term borrowings + Short-Term borrowings - Cash and cash equivalents -Other bank balances (note 15 (ii)) and Deposits classified under Other financial assets (note 10)
(2) Net profit before tax + Depreciation + Finance cost
(3) Finance cost (excluding interest on lease liabilities) + Current maturities of long-term loans
(4) Current assets - current liabilities
(5) Total Assets - current liabilities
(6) The Company is not having any market linked investments
(7) Cost of materials consumed +Changes in inventories of work-in-progress

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

47 With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts.
The Company uses accounting software for maintaining the books of account which has a feature of recording audit trail and has defined process to enable audit trail of books of accounts. The Company for the financial year ended 31 March 2024 has enabled the feature of recording audit trail (edit log) facility except for the following
- in respect of accounting software, audit trail feature was not enabled for the period April 01, 2023 to March 30, 2024 for certain master tables.
- in respect of a accounting software operated by a third party software service provider for maintaining payroll records, independent auditor's system and organisation controls report does not cover audit trail related reporting for the period from January 01, 2024 to March 31, 2024.

The management is of the view that this does not have any impact on its Standalone financial statements for the year ended March 31, 2024.

48 Approval of financial statements
The financial statements were approved by the Board of Directors on 21 May 2024.

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Hyderabad
Date: 21-May-2024

INDEPENDENT AUDITOR'S REPORT
To The Members of Sai Life Sciences Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sai Life Sciences Limited ("the Parent" / "the Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities 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 intend to liquidate their respective entities 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 are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility 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 financial controls 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 Parent has adequate internal financial controls with reference to consolidated 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.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group 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 of such business activities included in the consolidated financial statements of which we are the independent auditors. For the other subsidiaries included in the consolidated financial statements, which have been audited by the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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 financial controls 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.

Other Matter

(a) We did not audit the financial statements of two subsidiaries included in the Group whose financial statements reflect total assets of Rs. 1,162 million as at March 31, 2024, total revenue of Rs. 1,024.82 million and net cash inflows amounting to Rs. 4.98 million for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial statements of these subsidiaries have been audited by the 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 our report in terms of subsection

(3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matter section above 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 maintained by the Group, its subsidiaries including relevant records 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 not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies and its subsidiary Companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modification relating to maintenance of accounts and other matters connected therewith, are stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor’s reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

   i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - refer note 43 to the consolidated financial statements.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 44 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 Parent or any of such subsidiaries, 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 Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 44 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's 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 (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi) Based on our examination which included test checks of the Parent and its subsidiary company incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software for the subsidiary company and in respect of the Parent Company:

a) for one accounting software, audit trail feature was not enabled for the period April 01, 2023 to March 30, 2024, post which audit trail feature was enabled at the application level

(b) 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, during the course of audit, in respect of a subsidiary company, we have not come across the audit trail feature being tampered with in respect of accounting software used by the subsidiary company for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W-W/-100018)

Signature
Sathya P. Koushik
(Partner)
(Membership No.206920)
Place: Bengaluru
Date: May 21, 2024
SPK/RK/2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Sai Life Sciences Limited (hereinafter referred to as "Parent") and its subsidiary company, which includes internal financial controls with reference to consolidated financial statements of its subsidiary incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (ICAI). 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 t
he accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 consolidated financial statements was 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 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 internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements.

A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes 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 117nauthorized 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 consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, Parent, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sathya P. Koushik
(Partner)
(Membership No. 206920)
Place: Bengaluru
Date: May 21, 2024
SPK/RK/2024

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

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

	Note	As at	
		31 March 2024	31 March 2023
Assets			
Non-current assets			
(a) Property, plant and equipment	6	9,263.55	7,776.15
(b) Right-of-use assets	7	2,397.13	2,478.73
(c) Capital work-in-progress	6	1,068.95	1,510.01
(d) Intangible assets	8	137.73	114.33
(e) Financial assets			
(i) Investments	9	18.68	18.68
(ii) Other financial assets	10	40.67	26.57
(f) Deferred tax assets	11	131.33	80.62
(g) Non-current tax assets (net)	12	132.79	76.63
(h) Other non-current assets	13	109.39	145.26
Total non-current assets		**13,300.22**	**12,226.98**
Current assets			
(a) Inventories	14	874.43	1,395.30
(b) Financial assets			
(i) Trade receivables	15	2,561.84	2,840.51
(ii) Cash and cash equivalents	16(i)	236.57	699.12
(iii) Bank balances other than (ii) above	16(ii)	1,351.43	164.24
(iv) Other financial assets	10	794.76	1,784.74
(c) Other current assets	13	3,632.11	2,755.59
Total current assets		**9,451.14**	**9,639.50**
Total assets		**22,751.36**	**21,866.48**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	180.50	180.10
(b) Other equity	18	9,570.94	8,700.83
Total equity		**9,751.44**	**8,880.93**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,772.46	2,609.69
(ii) Lease liabilities	20	1,757.21	1,957.97
(iii) Other financial liabilities	21	13.33	37.27
(b) Provisions	22	195.23	166.76
(c) Deferred tax liabilities (net)	23	862.66	625.34
Total non-current liabilities		**5,600.89**	**5,397.03**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	4,329.17	4,382.60
(ii) Lease liabilities	20	417.76	373.49
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	24	90.07	80.90
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1,903.98	2,008.56
(iv) Other financial liabilities	21	317.53	227.79
(b) Other current liabilities	25	256.80	409.49
(c) Provisions	22	83.72	72.02
(d) Current tax liabilities (net)	26	-	33.67
Total current liabilities		**7,399.03**	**7,588.52**
Total equity and liabilities		**22,751.36**	**21,866.48**

See accompanying notes 1 to 49 forming part of these Consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH

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

		Note	For the year ended 31 March 2024	For the year ended 31 March 2023
	Income			
I	Revenue from operations	27	14,651.78	12,171.39
II	Other income	28	290.91	279.66
III	**Total income (I + II)**		**14,942.69**	**12,451.05**
IV	**Expenses**			
	Cost of material, chemicals & reagents consumed	29	4,232.97	4,271.75
	Changes in inventories of work-in-progress	30	224.33	(45.88)
	Employee benefits expense	31	4,949.05	4,172.86
	Finance costs	32	859.10	770.57
	Depreciation and amortisation expense	33	1,194.36	994.32
	Other expenses	34	2,390.54	2,123.35
	Total expenses (IV)		**13,850.35**	**12,286.97**
V	**Profit before tax (III - IV)**		**1,092.34**	**164.08**
VI	**Tax expense**	35		
	(i) Current tax		77.57	100.28
	(ii) Deferred tax		186.68	(36.09)
	Total tax expense (VI)		**264.25**	**64.19**
VII	**Profit after tax (V - VI)**		**828.09**	**99.89**
VIII	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss:			
	(a) Re-measurement of defined benefit plans		7.71	31.13
	(ii) Income-tax on items that will not be reclassified to profit or loss		(1.92)	(7.83)
			5.79	**23.30**
B.	(i) Items that will be reclassified to profit or loss:			
	(a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(7.89)	(11.70)
	(b) Exchange differences on translating foreign operations		10.33	27.80
	(ii) Income-tax on items that will be reclassified to profit or loss		1.99	(4.06)
			4.43	**12.04**
	Total other comprehensive income for the year, net of tax (A + B)		**10.22**	**35.34**
	Total comprehensive income for the year (VII + VIII)		**838.31**	**135.23**
IX	**Earnings per equity share (in absolute ₹ terms)**	36		
	Basic		45.71	5.53
	Diluted		45.28	5.48

See accompanying notes 1 to 49 forming part of these Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Sathya P. Koushik
Partner
Membership No.: 206920

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH

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

	For the year ended	
	31 March 2024	**31 March 2023**
Cash flow from operating activities		
Profit before tax	**1,092.34**	**164.08**
Adjustments for :		
Interest income	(135.97)	(106.64)
(Gain)/loss on sale of Property, plant and equipment, net	(0.10)	5.67
Unrealised foreign exchange gain	(44.42)	(30.05)
Depreciation and amortisation expense	1,194.36	994.32
Equity -settled share-based payments	22.53	8.14
Finance costs	859.10	770.57
Bad debts written off (net of recoveries)	62.04	67.96
Advances written off	10.72	-
Provision towards advances	13.66	-
Asset under CWIP written off	61.86	-
Provision towards doubtful trade receivables	15.90	11.52
Operating cash flows before working capital changes	**3,152.02**	**1,885.57**
(Increase)/decrease in other non-current assets	(76.38)	404.89
(Increase)/decrease in inventories	520.87	(126.17)
(Increase)/decrease in trade receivables	288.14	(450.79)
(Increase)/decrease in other current assets	(887.24)	236.07
(Increase)/decrease in other financial assets	37.62	(12.71)
Increase/(decrease) in trade payables	(91.16)	123.85
Decrease in other financial liabilities & provisions	(21.58)	(47.11)
Increase/(decrease) in other non-current and current liabilities	(152.69)	221.23
Net cash generated from operating activities	**2,769.60**	**2,234.83**
Income-taxes paid, net	(138.73)	(40.80)
Net cash generated from operating activities (A)	**2,630.87**	**2,194.03**
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)	(1,816.90)	(1,130.75)
Proceeds from sale of property, plant and equipment	8.53	419.07
Investments in other entity	-	(18.52)
Movement in other bank balances	(1,187.19)	(20.72)
(Investment)/Redemption of Corporate deposits	950.00	(350.00)
Interest income received	121.75	83.11
Net cash used in investing activities (B)	**(1,923.81)**	**(1,017.81)**
Cash flows from financing activities		
Proceeds from issue of equity shares	9.67	20.91
Proceeds from / (Repayment of) current borrowings, net	248.93	(664.36)
Proceeds from non-current borrowings	750.00	300.00
Repayment of non-current borrowings	(667.28)	(532.76)
Interest portion of lease liabilities	(253.53)	(241.22)
Principal portion of lease liabilities	(441.05)	(345.23)
Interest paid #	(599.73)	(543.82)
Net cash used in financing activities (C)	**(952.99)**	**(2,006.48)**
Net decrease in cash and cash equivalents during the year (A + B + C)	**(245.93)**	**(830.26)**
Effect of exchange differences on cash and cash equivalents held in foreign currency	10.33	27.80
Cash and cash equivalents at the beginning of the year	355.29	1,157.75
Cash and cash equivalents at the end of the year (Note 1 below)	**119.69**	**355.29**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH..Contd

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

	For the year ended	
Note 1:	**31 March 2024**	**31 March 2023**
Cash and cash equivalents includes		
Cash on hand	0.12	0.28
Balances with banks		
-in current accounts	143.60	78.25
-in book overdraft in bank accounts	(116.88)	(343.83)
-in cash credit accounts	92.85	320.59
-in deposits account	-	300.00
	119.69	**355.29**

Interest paid in cash flow from financing activities includes borrowing cost capitalised as property, plant and equipment and CWIP during the year amounting to ₹ 18.49 (31 March 2023: ₹ 28.96)

Refer note 19 for reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities.

See accompanying notes 1 to 49 forming part of these Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Sathya P. Koushik
Partner
Membership No.: 206920

K.Ranga Raju
Chairman
DIN No: 00043186

Sivaramakrishnan Chittor
Chief Financial Officer

Place: Hyderabad
Date: 21-May-2024

Place: Hyderabad
Date: 21-May-2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH..Contd

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

A Share Capital

	Equity		Preference		Total
	Number of shares	Amount	Number of shares	Amount	Amount
As at 31 March 2022	**1,75,56,306**	**175.56**	**4,80,000**	**3.87**	**179.43**
Changes in share capital during the year	66,250	0.67	-	-	0.67
As at 31 March 2023	**1,76,22,556**	**176.23**	**4,80,000**	**3.87**	**180.10**
Changes in share capital during the year	40,478	0.40	-	-	0.40
As at 31 March 2024	**1,76,63,034**	**176.63**	**4,80,000**	**3.87**	**180.50**

B Other Equity

	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Employee stock options outstanding account	Retained earnings	Effective portion of cash flow hedges	Foreign currency translation reserve
Balance as at 31 March 2022	**8.07**	**3,855.56**	**87.20**	**4,640.85**	**(3.26)**	**17.80**
Amount transferred on exercise/forfeiture of employee stock options	-	-	(0.58)	0.58	-	-
Profit for the year	-	-	-	99.89	-	-
Other comprehensive income, net of taxes	-	-	-	31.13	(11.70)	27.80
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(7.83)	-	-
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	2.94	(7.00)
Total comprehensive income	**-**	**-**	**(0.58)**	**123.77**	**(8.76)**	**20.80**
Dividend paid	-	-	-	(69.00)	-	-
Shares allotted during the year on account of exercise of employee stock options	-	20.24	-	-	-	-
Share-based payment expense	-	-	8.14	-	-	-
Balance as at 31 March 2023	**8.07**	**3,875.80**	**94.76**	**4,695.62**	**(12.02)**	**38.60**
Amount transferred on forfeiture of employee stock options	-		(4.71)	4.71	-	-
Amount transferred on exercise of employee stock options		6.48	(6.48)	-	-	-
Profit for the year	-	-	-	828.09	-	-
Other comprehensive income	-	-	-	7.71	(7.89)	10.33
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(1.92)	-	-
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	1.99	-
Total comprehensive income	**-**	**6.48**	**(11.19)**	**838.59**	**(5.90)**	**10.33**
Shares allotted during the year	-	9.27	-	-	-	-
Share-based payment expense	-	-	22.53		-	-
Balance as at 31 March 2024	**8.07**	**3,891.55**	**106.10**	**5,534.21**	**(17.92)**	**48.93**

See accompanying notes 1 to 49 forming part of these Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sathya P. Koushik
Partner
Membership No.: 206920

Place: Hyderabad
Date: 21-May-2024

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Hyderabad
Date: 21-May-2024

Sai Make it better together

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Corporate information

The consolidated financial statements comprise of the financial statements of Sai Life Sciences Limited ("Sai Life" or "the Parent Company" or "the Company") and its subsidiaries (collectively, referred to as the "Group"). Sai Life Sciences Limited is a closely held public limited company domiciled and incorporated in India in accordance with the provisions of the erstwhile Companies Act, 1956. The registered office of the Company is situated in Hyderabad, Telangana and has facilities in the states of Telangana, Karnataka and Maharashtra, India.

The Group carries out contract research and manufacturing activities for customers engaged in pharmaceutical and biotechnology industries.

2. BASIS OF PREPARATION AND PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

The consolidated financial statements of the Company which comprise of 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 ("consolidated financial statements") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs ('MCA') and other relevant provisions of the Act, as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date 31 March 2024. These consolidated financial statements were authorised for issuance by the Group's Board of Directors on 21 May 2024.

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis except for the following material items in the balance sheet:

- Certain financial assets and liabilities which are measured at fair value; and
- Share based payments, which are measured at fair value of the options.

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest millions, unless otherwise stated. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

3. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires Management to make judgments, estimates and assumptions that 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 such changes are made and in any future periods affected.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Group applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. Revenue will be recognised as the customer obtains control of the product and services promised in the Contract. Given the nature of the product and terms and conditions in case of certain contracts, the customer obtains control as the Group performs the work under the contract. Therefore, revenue is recognised over time for such contracts and for other contracts at a point in time. Judgement is involved in assessing whether the contract/agreement meets the criteria for recognition of revenue over the period on percentage of completion. Further, the Group uses the percentage of completion method to measure progress towards completion in respect of fixed price contracts. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Items requiring significant estimate Assumption and estimation uncertainty

Useful lives of property, plant and equipment and Intangible assets.The Group reviews the estimated useful lives of property, plant and equipment and the intangible assets at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Estimation of net realisable value of inventories Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Group makes an estimate of future selling prices and costs necessary to make the sale.

At the end of each reporting year, the Company assess the potential usage of inventories held and judgements are involved in assessing the alternate usage and realisability of inventories.

Fair valuation measurement and valuation process. Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Contract assets Contract asset is recognised when the performance obligations are fulfilled and revenue is recognised over a period of time. Judgement is involved in assessing whether the contract/agreement meets the criteria for recognition of revenue over the period on percentage of completion. Estimates are involved in determining the percentage of completion of the contract.

Leases

The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future years is reassessed to ensure that the lease term reflects the current economic circumstances. The Group makes an assessment of the buy back option while determining the useful life for amortising the Right of use assets.

Employee benefits

The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting date. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provisions, contingencies - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on Management's assessment of specific circumstances of each dispute and relevant external advice, Management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is disclosed in the notes to the consolidated financial statements.

Loss allowance for trade receivables

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses (ECL). For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Government grants

The Group recognises government grants only when there is no uncertainty on compliance with conditions attached and on receipt of grants.

Judgments are involved in assessing compliance with conditions and ultimate receipt of grants.

Share based compensation. At the end of each reporting year, 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.

Provision for taxes Significant judgments are required in determining the provision for income and deferred taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

In assessing the realisability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

4. Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated 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. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries has been kept consistent with the policies adopted by the Group.

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree’s net identifiable assets at the date of acquisition. Changes in the Group’s equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit and loss.

Following are the subsidiaries considered in these consolidated financial statements:

Name of the subsidiary	**% of holding by Parent Company**	**Country of Incorporation**
Sai Life Sciences Inc	100	USA
Sai Life Pharma Private Limited	100	India
Sai Life Sciences GMBH	100	Germany
Sai Life Drugform Private Limited*	100	India

*Sai Life Drugform Private Limited has been struck off effective dated 26 April 2023

5. Summary of material accounting policies

The consolidated financial statements have been prepared using the material accounting policies and measurement basis summarized below.

a. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is classified as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Expected to be realised within twelve months after the reporting date, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

A liability is classified as current when:
• It is expected to be settled in normal operating cycle
• It is due to be settled within twelve months after the reporting date, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

b. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group using the exchange rates at the dates of the transactions or at the rate that closely approximates the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the nonmonetary asset or non-monetary liability arising from payment or receipt of advance consideration Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses), net.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (subsidiaries) that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve ("FCTR"), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest.

c. Revenue recognition

Revenue is measured at the transaction value of the consideration received or receivable.

Contract research, development and manufacturing services income :

In contracts involving the rendering of services/ development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method of Percentage of completion. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue and Advance from Customers) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

Revenue from the operations is recognised when the Group transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net of returns, trade allowances, rebates and indirect taxes.

'Bill and hold' sales, in which delivery is delayed at the buyer's request but the buyer takes title and accepts billing, revenue is recognised when the buyer takes title, provided:
(a) it is probable that delivery will be made;
(b) the item is on hand, identified and ready for delivery to the buyer at the time the sale is recognised;
(c) the buyer specifically acknowledges the deferred delivery instructions; and
(d) the usual payment terms apply.

Revenue is not recognized when there is simply an intention to acquire or manufacture the goods in time for delivery.

Interest income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

Dividend income
Dividend income is recognised when the Group's right to receive the payment is established, which is generally, when shareholders approve the dividend.

Export incentives
Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d. Property, plant and equipment (PPE)
Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.
Property, Plant and Equipment not ready for its intended use at the date of Balance Sheet are disclosed as "Capital Work in progress". Such items are classified to specific sections of the Property, Plant and equipment as and when ready for its intended use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation on items of PPE is provided on the straight-line method, computed on the basis of useful lives as estimated by the Management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Freehold land is not depreciated.

The estimated useful lives of the assets are based on a technical evaluation reflecting actual usage of assets.

Asset Category	**Estimated useful life (in years)**
Buildings	30
Leasehold improvements	Over the lease period or over the useful life of asset if the Company is certain to opt for purchase option
Plant and equipment	3 - 20
Furniture	10
Freehold Vehicles	4 - 10
Freehold Computers	3 – 6

Depreciation on additions / disposals is provided on a pro-rata basis i.e., from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

e. Intangible assets

Intangible assets acquired separately

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in consolidated statement of profit and loss as incurred.

The intangible assets are amortized over the estimated useful life of the asset, on a straight line basis.

Estimated useful economic life of Intangibles are as follows:

Asset Category	Estimated useful life (in years)
Acquired Software	1 – 6

f. Impairment

Impairment of tangible and intangible assets
The carrying amounts of the Group's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of 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 groups of assets.

An impairment loss is recognised in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets
In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.
Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Impairment of property, plant and equipment, intangibles assets and capital work in progress
The Group assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount in the consolidated statement of profit and loss.

g. Inventories
Inventories are measured at the lower of cost and net realisable value. The method of determining cost of various categories of inventories is as follows:
(i) Raw materials – Weighted average cost. Cost includes purchase cost and other attributable expenses
(ii) Stores and spares and packing material – Weighted average cost
(iii) Finished goods and work-in-process - is based on average cost of production or conversion which comprises direct material costs, direct wages and applicable overheads.

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.

h. Measurement of fair values

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
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).
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.

i. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised at transaction price when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), fair value plus transaction costs that are directly attributable to its acquisition or issue, except trade receivables which are measured at transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

FVOCI – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the Instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

FVTPL

All financial assets not classified as measured at amortised cost or at FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in consolidated statement of profit and loss.

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset; or the Group has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

Trade Receivables which are subject to a factoring arrangement without recourse are derecognized from the Balance sheet in its entirety. Under this arrangement, the Group transfers relevant receivables to the factor in exchange for cash and does not retain credit risk

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are also classified as a current asset or liability when expected to be realised/settled within 12 months of the balance sheet date.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the

hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.
Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

• With respect to gain or loss relating to the effective portion of the intrinsic value of option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

• With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward element of the forward contract are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

• The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost'.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). Hedge ineffectiveness is recognised in profit and loss within other gains/(losses).
If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.
Dividend distribution to equity holders of the Group
The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Leases
The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. 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. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand, debit balance in cash credit accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

l. Government Grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised by deducting the grant from the carrying amount of the asset. Grants related to Income are recognized in consolidated statement of profit and loss as other operating revenues.

m. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Group has no further obligation to the plan beyond its monthly contributions.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. These benefits include salaries and wages, bonus and ex-gratia. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Long-term employee benefits

Employee benefits payable after twelve months of receiving employee services are classified as long-term employee benefits. These benefits primarily include one-off retention incentive and long-term bonus provision, in accordance with the policy of the Group. The Group accrues these costs based on the expected payout and the same is amortised over a period of services.

Gratuity

The Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's last drawn salary and the tenure of the employment with the Group. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Group gratuity scheme. The Group recognises the net obligation of a defined benefit plan as a liability in its consolidated balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the consolidated statement of profit and loss. The net interest on net defined benefit liability which reflects the change in net defined benefit liability that arises from the passage of time is considered as employee cost and disclosed under "Employee benefits expense".

Compensated absences

The Group's policy permits employees to accumulate and carry forward a portion of unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policy. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet.

Share based compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

p. Income taxes

Tax expense recognized in the statement of profit and loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Group and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding during the year for the effects of all dilutive potential equity shares.

r. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

s. Goods and Service Tax Input credit

Goods and Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

t. Operating cycle

As mentioned in paragraph 1 above, the Group is into contract research 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 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

Sai Make it better together

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

6. Property, plant and equipment	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furnitures and fixtures	Vehicles	Computers	Total
Cost or deemed cost								
Balance as at 1 April 2022	164.86	2,133.86	168.75	6,319.17	134.36	51.45	219.24	**9,191.69**
Additions (refer note i below)	10.12	502.38	6.78	647.20	6.63	8.76	68.38	**1,250.25**
Disposals/retirement	-	-	(1.24)	(190.69)	(2.62)	-	(0.31)	**(194.86)**
Adjustments (refer note iii below)	-	(22.00)	-	(146.39)	1.69	-	1.22	**(165.48)**
Balance as at 31 March 2023	**174.98**	**2,614.24**	**174.29**	**6,629.29**	**140.06**	**60.21**	**288.53**	**10,081.60**
Additions (refer note i below)	13.65	440.27	3.32	1,667.96	25.69	-	71.38	**2,222.27**
Disposals/retirement	-	-	(8.34)	(0.93)	-	(3.57)	(13.89)	**(26.73)**
Adjustments	-	-	-	6.36	0.34	-	0.22	**6.92**
Balance as at 31 March 2024	**188.63**	**3,054.51**	**169.27**	**8,302.68**	**166.09**	**56.64**	**346.24**	**12,284.06**
Accumulated depreciation								
Balance as at 1 April 2022	-	239.74	63.29	1,225.34	43.51	50.90	139.88	**1,762.66**
Charge for the year	-	76.68	12.60	454.77	13.83	0.29	42.63	**600.80**
Disposals/retirement	-	-	(0.85)	(60.36)	(0.66)	-	(0.22)	**(62.09)**
Adjustments	-	-	-	3.29	0.21	-	0.58	**4.08**
Balance as at 31 March 2023	**-**	**316.42**	**75.04**	**1,623.04**	**56.89**	**51.19**	**182.87**	**2,305.45**
Charge for the year	-	97.73	10.70	553.79	16.02	2.23	50.88	**731.35**
Disposals/retirement	-	-	-	(0.23)	-	(3.51)	(13.86)	**(17.60)**
Adjustments	-	-	-	1.07	0.08	-	0.16	**1.31**
Balance as at 31 March 2024	**-**	**414.15**	**85.74**	**2,177.67**	**72.99**	**49.91**	**220.05**	**3,020.51**
Net carrying amount								
As at 31 March 2023	**174.98**	**2,297.82**	**99.25**	**5,006.25**	**83.17**	**9.02**	**105.66**	**7,776.15**
As at 31 March 2024	**188.63**	**2,640.36**	**83.53**	**6,125.01**	**93.10**	**6.73**	**126.19**	**9,263.55**

Capital work-in-progress :₹1,068.95 (31 March 2023: ₹ 1,510.01) (refer note i & ii)

Notes

i) Additions to capital work-in-progress and property, plant & equipment during the year ended 31 March 2024 includes borrowing cost amounting to ₹ 18.49 (31 March 2023: ₹28.96)

ii) Capital work-in-progress (CWIP) ageing schedule:

As at 31 March 2024					
Particulars	**Amount in CWIP for a period of**				
	Less than 1	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	671.50	18.70	378.75	-	1,068.95
Projects temporarily suspended	-	-	-	-	-
Total	**671.50**	**18.70**	**378.75**	**-**	**1,068.95**

As at 31 March 2023

Particulars	**Amount in CWIP for a period of**				
	Less than 1	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	737.46	472.53	242.04	57.98	1,510.01
Projects temporarily suspended	-	-	-	-	-
Total	**737.46**	**472.53**	**242.04**	**57.98**	**1,510.01**

Note: As on the date of balance sheet, there are there is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

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

iii) During the period ended 31 March 2023, the Company received final approval from Commissionerate of Industries, Telangana State towards sanction of investment subsidy amounting to ₹. 200. The Company is of the view that the same will be received in due course and there is no uncertainty on the receipt of the same. The aforesaid subsidy has been disclosed as reduction from the property, plant and equipment. The impact of such subsidy has resulted in reversal of depreciation amounting to ₹. 25.2 during the year ended 31 March 2023, that was previously charged on the assets.

iv) Refer note 19 for details of property, plant and equipment subject to charge on secured borrowings.

7. **Right-of-use assets**

	Leasehold land	Buildings	Vehicles	Plant and equipment	Computers	Total
Cost						
Balance as at 1 April 2022	**139.26**	**1,794.02**	**285.21**	**850.53**	**154.55**	**3,223.57**
Additions during the year	-	17.10	67.05	466.88	14.86	565.89
Disposals/retirement	-	(10.92)	(14.99)	-	-	(25.91)
Adjustments	-	69.07	-	5.51	-	74.58
Balance as at 31 March 2023	**139.26**	**1,869.27**	**337.27**	**1,322.92**	**169.41**	**3,838.13**
Additions during the year	-	24.44	93.34	194.99	0.06	312.83
Disposals/retirement	-	-	(30.92)	-	-	(30.92)
Adjustments	-	13.10	-	0.94	-	14.04
Balance as at 31 March 2024	**139.26**	**1,906.81**	**399.69**	**1,518.85**	**169.47**	**4,134.08**
Accumulated depreciation						
Balance as at 1 April 2022	**13.09**	**682.29**	**248.42**	**8.24**	**60.57**	**1,012.61**
Charge for the year	2.73	140.24	70.97	95.25	38.60	347.79
Disposals/retirement	-	(7.31)	(13.30)	-	-	(20.61)
Adjustments	-	18.98	-	0.63	-	19.61
Balance as at 31 March 2023	**15.82**	**834.20**	**306.09**	**104.12**	**99.17**	**1,359.40**
Charge for the year	2.65	150.40	71.24	114.76	36.29	375.34
Disposals/retirement	-	-	(2.65)	-	-	(2.65)
Adjustments	-	3.76	-	1.10	-	4.86
Balance as at 31 March 2024	**18.47**	**988.36**	**374.68**	**219.98**	**135.46**	**1,736.95**
Net carrying amount						
As at 31 March 2023	**123.44**	**1,035.07**	**31.18**	**1,218.80**	**70.24**	**2,478.73**
As at 31 March 2024	**120.79**	**918.45**	**25.01**	**1,298.87**	**34.01**	**2,397.13**

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

8. Other intangible assets

	Acquired software	Total
Cost or deemed cost		
Balance as at 1 April 2022	**183.11**	**183.11**
Additions during the year	78.56	78.56
Disposals/retirement	-	-
Adjustments	2.63	2.63
Balance as at 31 March 2023	**264.30**	**264.30**
Additions during the year	110.94	110.94
Disposals/retirement	-	-
Adjustments	0.37	0.37
Balance as at 31 March 2024	**375.61**	**375.61**
Accumulated amortization		
Balance as at 1 April 2022	**102.61**	**102.61**
Charge for the year	45.73	45.73
Disposals/retirement	-	-
Adjustments	1.63	1.63
Balance as at 31 March 2023	**149.97**	**149.97**
Charge for the year	87.67	87.67
Disposals/retirement	-	-
Adjustments	0.24	0.24
Balance as at 31 March 2024	**237.88**	**237.88**
Net carrying amount		
As at 31 March 2023	**114.33**	**114.33**
As at 31 March 2024	**137.73**	**137.73**

	As at 31 March 2024	As at 31 March 2023
9. Non-current		
Investment in equity instruments		
Unquoted investments (fully paid)		
at fair value through Other comprehensive income (OCI)		
Jeedimetla Effluent Treatment Limited 500 (31 March 2023: 500) equity shares of ₹100 each fully paid-up	0.05	0.05
Patancheru Envirotech Limited 10,878 (31 March 2023: 10,878) equity shares of ₹10 each fully paid-up	0.11	0.11
Clean Max Orion Power LLP Contribution of 26% LLP Share (31 March 2023: 26% LLP Share) in Partners capital**	18.52	18.52
Total investment in others (at fair value through OCI)	**18.68**	**18.68**
Total non-current investments	**18.68**	**18.68**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate value of unquoted investments	18.68	18.68

** During the previous year ended 31 Mar 2023 the Company had invested an amount of ₹ 18.52 in Clean Max Orion Power LLP pursuant to Limited Liability Partnership Agreement. The Company's investment represents 26% ownership of the Clean Max Orion Power LLP and the investment is in accordance with Electricity Act 2003 which stipulates consumer partner (Sai Life) to have atleast 26% ownership in the electricity generating entity. The Company's 26% ownership is purely to meet the regulatory requirement and hence the Company has not consolidated the share of profit or loss in the financials.

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

10.	**Other financial assets**		
	Non-current		
	Derivative financial asset - Fair Value Through Other Comprehensive Income (FVTOCI)	-	2.22
	Security deposits - considered good	40.67	24.35
		40.67	**26.57**
	Current		
	Security deposits		
	(a) Considered good	9.61	29.81
	(b) considered doubtful	3.39	3.39
		13.00	33.20
	Less: Provision for doubtful deposits	(3.39)	(3.39)
		9.61	29.81
	Derivative financial asset - FVTOCI	16.08	18.56
	Fixed Deposits with financial institutions	400.00	1,350.00
	Unbilled revenue*	93.76	127.42
	Incentive receivable under T-IDEA scheme	220.81	218.67
	Interest accrued but not due on deposits	54.50	40.28
		794.76	**1,784.74**

*Classified as financial asset as right to consideration is unconditional upon passage of time.

**During the year ended 31 March 2023, the Company received final approval under the Telangana Industrial Development and Entrepreneur Advancement (T–IDEA) scheme 2014 from Commissionerate of Industries, Telangana State towards sanction of investment subsidy amounting to ₹. 200.

Additionally, under the above scheme, the Company granted a customised incentive of power cost reimbursement of ₹.1.00 per unit for a period of 10 years starting from August 2020 (being the commencement of commercial production of the expanded facility at Shameerpet, Hyderabad, Telangana). During the year ended 31 March 2023 and 31 March 2024, the Company received sanction orders from Commissioner of Industries, Telangana state towards power cost reimbursement amounting to ₹.18.67 and ₹.2.14 respectively relating to the period August 2020 to March 2023.

11.	**Deferred tax asset**		
	Deferred tax asset arising on account of :		
	Loss in Subsidiary	131.33	80.62
		131.33	**80.62**

Movement in deferred tax assets	**Recognized in statement of profit and loss**	**Recognized in OCI**	**As at 31 March 2023**
Deferred tax assets arising on account of :			
Loss in Subsidiary	23.56	-	80.62
Deferred tax assets, (net)	**23.56**	**-**	**80.62**

Movement in deferred tax assets	**Recognized in statement of profit and loss**	**Recognized in OCI**	**As at 31 March 2024**
Deferred tax assets arising on account of :			
Loss in Subsidiary	50.71	-	131.33
Deferred tax assets, (net)	**50.71**	**-**	**131.33**

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

12.	**Non-current tax assets (net)**		
	Advance income-tax, net of provision for taxation ₹. 77.57 (31 Mar 23 ₹.100.28)	132.79	76.63
		132.79	**76.63**
	Refer Note 35 for details of income tax expense		
13.	**Other assets**		
	(Unsecured, considered good)		
	Non-current		
	Capital advances	22.07	61.66
	Prepaid expenses	10.79	10.02
	Export incentive receivable	0.15	-
	Tax demand paid under protest	43.82	41.95
	Balances with statutory authorities, considered good	32.56	31.63
	Balances with statutory authorities, considered doubtful	15.90	15.90
		48.46	47.53
	Less: Provision for doubtful balances	(15.90)	(15.90)
		32.56	31.63
		109.39	**145.26**
13.	**Other assets (Continued)**	**As at 31 March 2024**	**As at 31 March 2023**
	Current		
	Advance to suppliers		
	(a) Considered good	51.28	87.88
	(b) Considered doubtful	31.08	17.42
		82.36	105.30
	Less: Allowance for doubtful advances to suppliers	(31.08)	(17.42)
		51.28	87.88
	Prepaid expenses	212.12	150.76
	Contract assets*	2,968.16	1,650.47
	Balances with statutory authorities	397.77	770.71
	Export incentives receivable	1.45	0.15
	Incentives receivable under production linked incentive	-	93.10
	Advance to employees	1.33	2.52
		3,632.11	**2,755.59**
	***Changes in contract assets are as follows**		
	Balance at the beginning of the year	1,650.47	2,101.56
	Invoices raised that were included in the contract assets balance at the beginning of the year	(1,418.05)	(1,747.15)
	Increase due to revenue recognised during the year, excluding amounts billed during the year	2,735.74	1,296.06
	Balance at the end of the year	**2,968.16**	**1,650.47**
14.	**Inventories**		
	Raw materials and packing materials*	625.47	882.61
	Work-in-progress	214.44	438.77
	Stores and spares	34.52	73.92
		874.43	**1,395.30**

* Value by which inventories have been written down to net realisable value amounted to ₹. Nil (31 Mar 23 ₹.13.13)

Note - The Group has written off inventories amounting to ₹. 292.60 (31 Mar 23 ₹.170.50)

Refer note 5(g) for basis of valuation and for details of inventories pledged, refer note 19

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

15.	Trade receivables*		
	(a) Considered good	2,561.84	2,840.51
	(b) Trade receivables which have significant increase in credit risk	132.35	116.22
		2,694.19	**2,956.73**
	Less: Allowance for doubtful receivables (Refer Note 38B for the Company's credit risk management process.)	132.35	116.22
		2,561.84	**2,840.51**

* The Company has a factoring arrangement without recourse with one of its bankers ; consequently, the Company has derecognized receivables amounting to ₹. Nil (31 Mar 23 ₹.28.17), as it transfers relevant receivables to the factor in exchange for cash and does not retain credit risk.

Trade receivables Aging:
As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,808.42	736.45	-	-	2,561.84
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	3.35	62.66	26.18	132.35
Total	**1,808.42**	**739.80**	**62.66**	**26.18**	**2,694.19**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,863.04	822.73	-	-	2,840.51
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	21.31	31.42	116.22
Total	**1,863.04**	**822.73**	**21.31**	**31.42**	**2,956.73**

16.	Cash and cash equivalents and other bank balances	As at 31 March 2024	As at 31 March 2023
(i)	**Cash and cash equivalents**		
	Cash on hand	0.12	0.28
	Balances with banks		
	-in current accounts	143.60	78.25
	-in Cash credit account	92.85	320.59
	-in deposits account	-	300.00
		236.57	**699.12**
(ii)	**Bank balances other than above**		
	-margin money/deposit	141.43	164.24
	-in deposits account	1,210.00	-
		1,351.43	**164.24**
(iii)	**For the purpose of statement of cash flows, cash and cash equivalents comprise of following:**		
	Cash and cash equivalents (as per (i) above)	236.57	699.12
	Overdraft facilities (refer note 19)	(116.88)	(343.83)
		119.69	**355.29**

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

17. Equity share capital

i. Authorised share capital

	As at 31 March 2023	
	Number	**Amount**
Equity shares of ₹10 each	2,03,00,000	203.00
Optionally convertible preference shares of ₹10 each	6,00,000	6.00
Compulsorily convertible preference shares of ₹10 each	5,00,000	5.00
	2,14,00,000	**214.00**

ii. Issued, subscribed and fully paid up

	As at 31 March 2023	
	Number	**Amount**
Equity shares of ₹10 each	1,76,22,556	176.23
	1,76,22,556	**176.23**
	As at 31 March 2023	
Party paid up preference shares	**Number**	**Amount**
Compulsorily convertible preference shares of ₹ 10 each (partly paid ₹.8.06 each)	4,80,000	3.87
	4,80,000	**3.87**

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

	As at 31 March 2023	
	Number	**Amount**
Equity shares		
Balance at the beginning of the year	1,75,56,306	175.56
Add: Shares issued during the year	66,250	0.67
Balance at the end of the year	**1,76,22,556**	**176.23**
	As at 31 March 2023	
	Number	**Amount**
Partly paid up preference shares		
Balance at the beginning of the year	4,80,000	3.87
Balance at the end of the year	**4,80,000**	**3.87**
	1,81,02,556	**180.10**

iv. Rights, preferences 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. Rights, preferences and restrictions attached to preference shares

The Company has two classes of preference shares viz, Compulsorily convertible preference shares(CCPS) (Rs. 3.87 million) and 'Optionally convertible preference shares (OCPS) (Rs. 4.80 million). The said shares are partly paid to the tune of ₹.8.06 per share and the same will be treated as fully paid-up upon receiving the payment on final call for ₹.1.94 per share as and when made. Each CCPS and OCPS will be converted into 1 fully paid up equity share of ₹.10 each upon payment of uncalled portion of the said shares of ₹.1.94 with a premium of ₹.242.60. The preference shares are entitled to receive dividend @ 0.001% as declared from time to time on a non-cumulative basis. OCPS will be converted into equity shares of the Company upon the Company meeting the certain performance milestones.

vi. Warrants convertible into equity shares

Based on the approval of the members taken in the Shareholders meeting dated 11 June 2019, the Company has made allotment of 50,000 Share Warrants which are convertible into equity share in the ratio of 1:1 at a price of ₹1,910 per share. These warrants are equally vested over a period of 4 years ended on 19 October 2023. These warrants are not exercised as on 31 March 2024.

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

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

Name of the equity shareholders	Number	% holding	% Change in
TPG ASIA VII SF PTE LTD	76,20,180	43.24%	0.10%
Marigold Partners (represented by Kanumuri Mytreyi)	17,82,378	10.11%	0.02%
Sunflower Partners (represented by Kanumuri Ranga Raju)	11,40,729	6.47%	0.01%
Sai Quest Syn Private Limited	10,68,748	6.06%	0.01%
HBM Private Equity India	10,55,732	5.99%	0.01%
G. Subba Raju	9,38,730	5.33%	0.02%

viii. Details of shares held by the promoters of the Company*:

	00-Jan-00		
Name of the promoters	Number	% holding	% Change in
Marigold Partners (represented by Kanumuri Mytreyi)	17,82,378	10.11%	0.02%
Sunflower Partners (represented by Kanumuri Ranga Raju)	11,40,729	6.47%	0.01%
Sai Quest Syn Private Limited	10,68,748	6.06%	0.01%
G. Subba Raju	9,38,730	5.33%	0.02%
Tulip Partners (represented by Kanumuri Mytreyi)	7,42,262	4.21%	0.01%
Lily Partners (represented by Kanumuri Ranga Raju)	5,10,499	2.90%	0.01%
K Krishnam Raju	2,95,000	1.67%	0.00%
G.L.Tanuja	1,30,121	0.74%	0.00%
K Sudha	50,000	0.28%	0.00%
K Ranga Raju	14,000	0.08%	0.00%
Kanumuri Mytreyi	6,000	0.03%	0.00%
Continental Wines Pvt Ltd	1,967	0.01%	0.00%

*For the purpose of disclosure, definition of promoter as per the Companies Act, 2013 has been considered.

ix. Details of shareholders holding more than 5% preference shares CCPS in the Company

	00-Jan-00		
Name of the Preference shareholders & promoters	Number	% holding	% Change in
Marigold Partners (represented by Kanumuri Mytreyi)	1,68,134	35.03%	0.00%
Sunflower Partners (represented by Kanumuri Ranga Raju)	1,67,866	34.97%	0.00%
Tulip Partners (represented by Kanumuri Mytreyi)	72,058	15.01%	0.00%
Lily Partners (represented by Kanumuri Ranga Raju)	71,942	14.99%	0.00%

The rate of dividend is 0.001% p.a. on a non-cumulative basis for Compulsorily Convertible Preference Shares (CCPS) and Optionally Convertible Preference Shares (OCPS) of Rs. 10/- each. The Board of Directors of the Company approved dividend payout of not more than Rs.100 per share on the CCPS and OCPS of Rs.10/- each in their meeting on 20-June-2022.

Interim dividend of Rs. 34.5 Million, (Rs. 39.63 per preference share) was paid for the financial year ended March 31, 2023, based on the approval of the Board of Directors in their meeting held on November 30, 2022.

17. Equity share capital (Continued)

x. Shares reserved for issue under options

(a) Employee stock option plan - 2004 ("ESOP 2004")

The Company established a plan ESOP 2004 under which 300,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Extraordinary General Meeting held on 13 September 2004. These options shall vest at the end of three years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Employee stock option plan - 2006 ("ESOP 2006")

The Company established a plan ESOP 2006 under which 350,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Annual General Meeting held on 16 August 2006. 60% of the options granted shall vest at the end of three years from the grant date and 40% of the options granted shall vest at the end of five years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

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

Sai Employee stock option scheme - 2008 ("SESOS 2008")

The Company established a plan SESOS approved by the Shareholders at the Annual and Extraordinary General Meetings held on 11 September 2008 and 30 March 2009 respectively. As per the scheme, maximum number of employee stock options are restricted to 10% of paid up share capital of the Company. Out of which, 50% of the options granted shall vest at the end of two years from the grant date and the balance 50% of the options shall vest at the end of four years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Under this scheme, the company granted additional employee stock options approved by the Shareholders at the Extraordinary General Meeting held on 25 July 2018. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

Management ESOP scheme - 2018 ("MES 2018")

The Company established a plan MES 2018 approved by the Shareholders at the Extraordinary General Meeting held on 25 July 2018. As per the scheme maximum number of shares reserved under this scheme is 4% of the paid up equity capital of the Company on a fully diluted basis as on the Effective Date. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

The terms of the above schemes provide that each option entitles the holder to one equity share of ₹10 each and that the options can be settled only by way of issue of equity shares. The options granted are entirely time-based for ESOP 2004, ESOP 2006, SESOS 2008 MES 2018 and Amended MES 2018 is time and performance

(b) During the year ended 31 March 2024, the Company had incurred stock compensation cost of ₹.22.53 (31 March 2023: ₹8.14) towards the above schemes.

(c) Stock options activity is as follows:

No. of options

Under ESOP 2004 plan	**As at 31 March 2024**	-
Outstanding at the beginning of the year	2,000	2,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	(2,000)	-
Outstanding at the end of the year	-	2,000
Weighted average exercise price (₹)	30	30
Exercisable at the end of the year	-	2,000

No. of options

Under SESOS 2008 scheme	**As at 31 March 2024**	-
Outstanding at the beginning of the year	2,19,250	2,79,250
Granted during the year	1,48,000	-
Forfeited during the year	-	-
Exercised during the year	(35,014)	(60,000)
Outstanding at the end of the year	3,32,236	2,19,250
Weighted average exercise price (₹)	986.74	243.88
Exercisable at the end of the year	1,82,236	1,89,000

No. of options

Under MES 2018 scheme	**As at 31 March 2024**	-
Outstanding at the beginning of the year	5,86,375	5,21,750
Granted during the year	-	1,30,000
Forfeited/Lapsed during the year	(1,35,519)	(65,375)
Exercised during the year	(3,464)	-
Outstanding at the end of the year	4,47,392	5,86,375
Weighted average exercise price (₹)	1,310.18	1,304.52
Exercisable at the end of the year	1,97,392	1,60,375

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

(d) The fair value of options is estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:	As at 31 March 2024		-
	SESOS 2008	**SESOS 2008**	**MES 2018**
Date of grant	**7-Dec-23 & 20-Feb-24**	**19-Jun-23 & 13-Sep-23**	**18-July-22 & 17-Aug-22**
Risk-free interest rate	7.21%	7.32%	7.18%
Expected life (in years)	5	5	5
Expected volatility	33.00%	33.00%	16.18%
Expected dividend yield	0.00%	0.00%	0.00%

xi. During the period of five years immediately preceding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus

	As at 31 March 2024	-
18. Other equity		
Securities premium (Note a)	3,891.55	3,875.80
Capital reserve (Note b)	8.07	8.07
Employee stock options outstanding account (Note c)	106.10	94.76
Retained earnings (Note d)	5,534.21	4,695.62
Cash flow hedge reserve (Note e)	(17.92)	(12.02)
Foreign currency translation reserve (Note f)	48.93	38.60
	9,570.94	**8,700.83**

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. During the year ended 31 March 2024 and 31 March 2023, the Company issued 40,478 and 66,250 equity shares respectively.

(b) Capital reserve

Capital reserve pertains to the excess of net assets taken, over the cost of consideration paid pursuant to amalgamation of Advantium Pharma Private Limited with the Company in the earlier years and on forfeiture of certain share warrants issued in the earlier years. The Company uses capital reserve for transactions in accordance

(c) Employee stock options outstanding account

Employee stock options outstanding account relates to share options granted by the Parent to its employees under its employee share option plan. These will be transfer to Equity and Security premium after exercise of the underlying options.

(d) Retained earnings

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

18. Other equity (continued)

(e) Cash flow hedge reserve

Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income.

(f) 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 Parent.

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

	Movement in other equity	As at 31 March 2024	-
i)	**Securities premium**		
	Balance at the beginning of the year	3,875.80	3,855.56
	Add: Amount on account of shares issued	15.75	20.24
	Balance at the end of the year	**3,891.55**	**3,875.80**
ii)	**Capital reserve**		
	Balance at the beginning of the year	8.07	8.07
	Add: Changes during the year	-	-
	Balance at the end of the year	**8.07**	**8.07**
iii)	**Employee stock options outstanding account**		
	Balance at the beginning of the year	94.76	87.20
	Amount transferred on forfeiture of employee stock options	(4.71)	(0.58)
	Amount transferred on exercise of employee stock options	(6.48)	-
	Share-based payment expense	22.53	8.14
	Balance at the end of the year	**106.10**	**94.76**
iv)	**Retained earnings**		
	Balance at the beginning of the year	4,695.62	4,640.85
	Re-measurement of defined benefit obligation (net of tax)	5.79	23.30
	Amount transferred on forfeiture of employee stock options	4.71	0.58
	Dividend paid	-	(69.00)
	Profit for the year	828.09	99.89
	Balance at the end of the year	**5,534.21**	**4,695.62**
v)	**Cash flow hedge reserve**		
	Balance at the beginning of the year	(12.02)	(3.26)
	Effective portion of cash flow hedges (net of tax)	(5.90)	(8.76)
	Balance at the end of the year	**(17.92)**	**(12.02)**
vi)	**Foreign currency translation reserve**		
	Balance at the beginning of the year	38.60	17.80
	Movement during the year (net of tax)	10.33	20.80
	Balance at the end of the year	**48.93**	**38.60**

19.	**Borrowings**	**As at 31 March 2024**	**-**
	Non-current		
	(Secured - at amortized cost)		
	Term loans		
	From banks [refer note (i) to (xiii)]	3,358.59	3,272.64
		3,358.59	**3,272.64**
	Less: Current maturities of long-term loans	586.13	662.95
		2,772.46	**2,609.69**

Terms and conditions of loans and nature of security

(i) Loan 1 : Term loan amounting to ₹ 894.99 (31 March 2023: ₹994.65) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all net current assets both present and future of the Company. This loan carries interest rate of 6 months MCLR +0.55% and is repayable in unequal quarterly instalment commencing from June 2023 with last instalment falling due in March 2030.

(ii) Loan 2 : Common Covid Emergency Credit Line (CCECL) amounting to ₹ 93.69 (31 March 2023: ₹ 140.67) is secured by way of pari passu second charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate equal to 6 months MCLR per annum + 1% with monthly rests and was repayable in equal Monthly instalments commencing from April 2022 and the last repayment falling due in April 2026.

(iii) Loan 3 : Term loan amounting to ₹ Nil (31 March 2023: ₹ 97.28) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 1 year MCLR + 2.75 % Spread per annum and is repayable in unequal quarterly instalment commencing from September 2017 with last instalment falling due in March 2024.

(iv) Loan 4 : Term loans (USD denominated) amounting to ₹ 18.67 (31 March 2023: ₹36.53) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. These loans carry interest overnight secured overnight financing rate (O/N SOFR (compounded) + 276 bps (non-compounded) p.a., on the outstanding USD notional, monthly) and are repayable in unequal quarterly instalments commencing from July 2017 with the last instalment falling due in March 2025.

(v) Loan 5 : Term loan amounting to ₹ 8.55 (31 March 2023: ₹ 17.08) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of MCLR OD 1 Year + 0.15% per annum and was repayable in unequal quarterly instalments commencing from December 2017 and the last repayment falling due in March 2025.

(vi) Loan 6 : Term loan amounting to ₹ 562.50 (31 March 2023: ₹ 637.50) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 7.5% Financial Benchmark India Limited (FBIL) O/N Mumbai interbank offer rate (MIBOR) (not compounded) + 305 bps (not compounded) on the outstanding ₹ Notional amount, monthly and was repayable in unequal quarterly instalments commencing from March 2022 and the last repayment falling due in December 2028.

(vii) Loan 7 : Term loan (USD denominated) amounting to ₹ Nil (31 March 2023: ₹ 52.19) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of USD3M LIBOR + 3.25% p.a and is repayable in quarterly instalments commencing from November 2019 with the last instalment falling in August 2023.

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

(viii) Loan 8 : Term loan amounting to ₹ 615.13 (31 March 2022: ₹ 707.82) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of 3 Months MCLR + 0.15% per annum and was repayable in unequal quarterly instalments commencing from November 2022 and the last repayment falling due in August 2027.

(ix) Loan 9 : Term loan amounting to ₹ 281.25 (31 March 2023: ₹ 393.75) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried 1 year MCLR + Spread of 1.05% p.a and was repayable in unequal quarterly instalments commencing from July 2021 and the last repayment falling due in April 2026.

(x) Loan 10 : Working capital Term loan facility under Guaranteed Emergency Credit Line amounting to ₹ 66.99 (31 March 2023: ₹ 101.94) is secured by way of pari passu second charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 3m T-bill Rate + 3.6% Spread p.a and was repayable in equal Monthly instalments commencing from March 2021 and the last repayment falling due in March 2026.

(xi) Loan 11 : Working capital Term loan facility under Guaranteed Emergency Credit Line amounting to ₹ 67.62 (31 March 2023: ₹93.23) is secured by way of pari passu First Charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 1Y MCLR+0.15% which ever is lower and was repayable in equal Monthly instalments commencing from April 2022 and the last repayment falling due in March 2026.

19. Borrowings (continued)

(xii) Loan 12 : Term loan amounting to ₹ 499.50 (31 March 2023: ₹ Nil) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried 3m T-bill Rate + 1.40% spread and was repayable in equal quarterly instalments commencing from Sept 2025 and the last repayment falling due in June 2030.

(xiii) Loan 13 : Term loan amounting to ₹ 249.70 (31 March 2023: ₹ Nil) is secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried Repo + Spread of 1.85% p.a and was repayable in equal quarterly instalments commencing from June 2025 and the last repayment falling due in March 2030.

(ivx) The Company has used the borrowings for the purposes for which it was taken.

	As at 31 March	As at 31 March
Short term borrowings		
(Secured - at amortized cost)		
Working capital loans from banks*	3,436.96	3,555.95
Current maturities of long-term loans	586.13	662.95
Working capital loans repayable on demand - Buyers credit facility	306.08	163.70
	4,329.17	**4,382.60**
* Includes overdraft facilities classified as cash & cash equivalents for the purpose of cash flow stat	(116.88)	(343.83)

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

Note: The above borrowings are secured by way of hypothecation of the Company's goods, book debts, movables and other assets. Interest rate ranges between 7.5% to 9.5% p.a and the loans are revolving on an annual basis.

The quarterly returns of current assets filed by the Company with banks are in agreement with books of accounts.

Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	Non cash changes*	As at 31 March 2024
Non-current borrowings (including current maturities)	3.23	3,358.59
Current borrowings (excluding overdraft facilities) (refer note above)	1.41	3,626.16
Total	**4.64**	**6,984.75**
* Non cash changes includes foreign exchange changes of ₹ 3.44.		

Particulars	Non cash changes*	As at 31 March 2023
Non-current borrowings (including current maturities)	32.81	3,272.64
Current borrowings (excluding overdraft facilities) (refer note above)	1.24	3,375.82
Total	**34.05**	**6,648.46**
* Non cash changes includes foreign exchange changes of ₹ 32.55.		

		As at 31 March 2024	As at 31 March 2023
20.	**Lease liabilities ***		
	Non-current	1,757.21	1,957.97
	Current	417.76	373.49
		2,174.97	**2,331.46**
	*Refer note 45		
21.	**Other financial liabilities**		
	Non-current		
	Optionally convertible preference shares pursuant to Scheme of Arrangement (refer note 17(v))	4.80	4.80
	Derivative liabilities - FVTOCI	8.53	32.47
		13.33	**37.27**
	Current		
	Interest accrued but not due on borrowings	16.58	13.77
	Capital creditors (refer note (b) below)	273.81	214.02
	Derivative liabilities - FVTOCI	27.14	-
		317.53	**227.79**

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

a) Details of shareholders holding more than 5% Optionally convertible preference shares (OCPS)

	As at 31 March 2023		
Name of the Preference shareholders & promoters	**Number**	**% holding**	**% Change in holding**
Marigold Partners (represented by Kanumuri Mytreyi)	2,10,168	35.03%	0.00%
Sunflower Partners (represented by Kanumuri Ranga Raju)	2,09,832	34.97%	0.00%
Tulip Partners (represented by Kanumuri Mytreyi)	90,072	15.01%	0.00%
Lily Partners (represented by Kanumuri Ranga Raju)	89,928	14.99%	0.00%

b) Capital creditors include outstanding dues of micro enterprises and small enterprises to the extent of ₹61.16 (31 March 2023: ₹

22. Provisions

	As at 31 March	**As at 31 March**
Non-current		
Gratuity	142.83	123.12
Compensated absences	52.40	43.64
	195.23	**166.76**
Current		
Gratuity	43.05	38.81
Compensated absences	40.67	33.21
	83.72	**72.02**

Employee benefits

The Company has the following post-employment benefits plans:

(a) **Defined contribution plan**

The following amount has been recognised as an expense in statement of profit and loss account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities

Contribution to provident fund	86.98	74.61
Contribution to employees state insurance	0.19	0.38
	87.17	**74.99**

(b) **Gratuity**

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 day's last drawn salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit/death/disablement, restricted to a sum of ₹ 2.00 in accordance with Payment of Gratuity Act, 1972.This defined benefit plan exposes the company to actuarial risk such as longevity, interest rate risk and market risk & inflation risk.

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

		As at 31 March 2024	As at 31 March
22.	**Provisions (continued)**		
(i)	**Change in defined benefit obligation**		
	Defined benefit obligation at the beginning of the year	161.93	169.10
	Current service cost	39.43	41.22
	Interest cost	10.95	9.32
	Actuarial (gain)/loss on obligation		
	Loss from change in demographic assumptions	-	(4.41)
	Loss/(gain) from change in financial assumptions	(4.68)	(11.95)
	Loss/(gain) on account of experience adjustments	(3.03)	(14.77)
	Past service cost	-	-
	Benefits paid	(18.72)	(26.58)
	Defined benefit obligation at the end of the year	**185.88**	**161.93**
(iii)	**Expense recognised in the statement of profit and loss**		
	Included under employee benefits		
	Interest cost	10.95	9.32
	Service cost	39.43	41.22
	Net gratuity costs	**50.38**	**50.54**
(iv)	**Expense recognised in other comprehensive income**		
	Recognised net actuarial loss/(gain)	(7.71)	(31.13)
		(7.71)	**(31.13)**
(v)	**Key actuarial assumptions**		
	Discount rate	7.10%	7.18%
	Salary escalation rate	8.00%	9.00%
	Expected average remaining service	3.09	3.09
	Mortality	IALM (2012-14) Ultimate	IALM (2012-14)
	Attrition rate	24.00%	24.00%
	Retirement age-years	58	58

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to these assumptions. However, the impact of these changes is not ascertained to be material by the management.

(vi) **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in the benefit

Particulars	**31 March 2**	**As at 31 March 2023**	
	in rate	**Increase in rate**	**rate**
Discount rate (+ / - 1% movement)	192.38	156.56	167.72
Salary escalation rate (+ / - 1% movement)	180.89	166.49	157.60

Maturity profile of the defined benefit obligation

Expected cash flows over the next :	**31 March 2024**	**31 March 2023**
1 year	43.08	38.81
2 - 5 years	114.03	97.30
6 - 10 years	62.47	55.51

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 2.78 years (As at 31 March 2023: 2.79 years and 31 March 2022: 3.51 years)

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years. During the year ended 31 March 2024, the Group has incurred an expense on compensated absences amounting to ₹ 31.46 (31 March 2023 : ₹ 31.07). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

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

23. Deferred tax liabilities (net)	As at 31 March 2024	As at 31 March
Deferred tax liabilities (assets) arising on account of :		
Property, plant and equipment	591.50	548.70
Contract assets	321.42	145.99
Lease liabilities	(396.18)	(441.76)
ROU assets	461.11	465.00
Other non-current assets / financial liabilities	-	(0.31)
Provision for employee benefits	(68.99)	(60.10)
Provision for trade receivables and advances	(41.03)	(33.25)
Derivative instruments - FVTOCI	(5.03)	2.84
Others	(0.14)	(1.77)
Deferred tax liabilities (net)	**862.66**	**625.34**

Movement in deferred tax assets/deferred tax liabilities

Particulars	Recognized in statement	Recognized in OCI	1 March 2023
Deferred tax liabilities arising on account of :			
Property, plant and equipment	57.44	-	548.70
Contract assets	(70.14)	-	145.99
ROU assets	71.15		465.00
Other non-current assets / financial liabilities	(0.64)	-	(0.31)
Deferred tax assets arising on account of :			-
Lease liabilities	(62.47)	-	(441.76)
Provision for employee benefits	(5.37)	7.83	(60.10)
Provision for trade receivables and advances	(2.89)	-	(33.25)
Derivative instruments - FVTOCI	-	4.06	2.84
Others	0.39	-	(1.77)
	(12.53)	**11.89**	**625.34**

23. Deferred tax liabilities (net) continued

Particulars	Recognized in statement	Recognized in OCI	31 March 2024
Deferred tax liabilities arising on account of :			
Property, plant and equipment	42.80	-	591.50
Contract assets	175.43	-	321.42
ROU assets	(3.89)	-	461.11
Other non-current assets / financial liabilities	0.31	-	-
Deferred tax assets arising on account of :			
Lease liabilities	45.58	-	(396.18)
Provision for employee benefits	(10.81)	1.92	(68.99)
Provision for trade receivables and advances	(7.78)	-	(41.03)
Derivative instruments - FVTOCI	(5.88)	(1.99)	(5.03)
Others	1.63	-	(0.14)
	237.39	**(0.07)**	**862.66**

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

24. Trade payables

	As at 31 March 2024	As at 31 March 2023
(A) Total outstanding dues of micro enterprises and small enterprises (refer note 44)	90.07	80.90
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,903.98	2,008.56
	1,994.05	**2,089.46**

* Includes amount payable to related parties - (refer note 40)

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment			
	Not due	2-3 years	More than 3 years	Total
(i). MSME	74.98	-	-	90.07
(ii) Others	1,265.57	20.00	0.30	1,709.55
(v). Unbilled Dues	194.43	-	-	194.43
Total	**1,534.98**	**20.00**	**0.30**	**1,994.05**

As at 31 March 2023

Particulars	Outstanding for following periods from due			
	Not due	2-3 years	More than 3 years	Total
(i). MSME	60.75	-	-	80.90
(ii) Others	1,158.37	27.17	0.67	1,888.26
(v). Unbilled Dues	120.30	-	-	120.30
Total	**1,339.42**	**27.17**	**0.67**	**2,089.46**

	As at 31 March 2024	As at 31 March
25. Other liabilities		
Current		
Advance from customers	96.67	291.74
Payable to statutory authorities	160.13	117.75
	256.80	**409.49**
26. Current tax liabilities (net)		
Provision for income tax, net of advance tax ₹.Nil (31 Mar 23 ₹.66.61)	-	33.67
	-	**33.67**

	For the year ended 31 March 2024	For the year ended 31 March 2023
27. Revenue from operations		
Revenue from contract research, development and manufacturing activities	14,687.23	11,969.49
Other operating income		
Income from export incentives (RODTEP)	1.45	-
Income under production linked incentive*	(36.90)	201.90
	14,651.78	**12,171.39**

*Government of India has launched Production Linked Incentive Scheme (PLI) for Pharmaceuticals industry on 03 March 2021 to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. The Company's application for a PLI incentive of ₹. 201.90 during the financials year 2022-23 got approved in the current year. The DOP issued a revision restricting the outlay in year 1 to extent of 33% of the overall scheme amount of ₹.500 i.e. ₹.165.00 and accordingly, the Company has reversed production linked incentive of ₹. 36.90.

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

Disaggregation of Revenue from contract research, development and manufacturing activities :

Particulars		
Contract Development and Manufacturing	9,715.53	7,298.30
Contract Research	4,971.70	4,671.19
Total	**14,687.23**	**11,969.49**

Reconciliation of revenue from operations with contract price (excluding Other Operating Income) :

Particulars		
Contract price	14,709.31	11,969.49
Less : adjustment made to contract price on account of		
Sales return	(22.08)	-
Total	**14,687.23**	**11,969.49**

Disaggregation of revenue from contract research, development and manufacturing activities into over time and at a point in time :

Timing of recognition

At a point in time	5,617.17	5,239.20
Over time	9,070.06	6,730.29
Total	**14,687.23**	**11,969.49**

28.	**Other income**		
	Interest income from deposits	135.14	94.17
	Interest income on financial assets at amortised cost	0.83	0.77
	Foreign exchange gain (net)	146.26	173.02
	Interest on income tax refund	-	11.70
	Profit on sale of property, plant and equipment	0.10	-
	Others	8.58	-
		290.91	**279.66**
29.	**Cost of material, chemicals & reagents consumed**		
	Raw material and packing material at the beginning of the year	882.61	763.21
	Add: Purchases/adjustments	3,975.83	4,391.15
	Less: Raw material and packing material at the end of the year	(625.47)	(882.61)
		4,232.97	**4,271.75**
30.	**Changes in inventories of work-in-progress**		
	Opening balance		
	- Work-in-progress	438.77	392.89
	(A)	**438.77**	**392.89**
	Closing balance		
	- Work-in-progress	214.44	438.77
	(B)	**214.44**	**438.77**
	(A) - (B)	**224.33**	**(45.88)**
31.	**Employee benefits expense**		
	Salaries, wages and bonus (refer note (a) below)	4,589.81	3,876.82
	Contribution to provident and other funds	87.17	74.99
	Gratuity expense	50.38	50.54
	Equity settled share based payment expense	22.53	8.14
	Staff welfare expenses	199.16	162.37
		4,949.05	**4,172.86**
	(a) Includes contract labour charges of ₹ 321.53 (31 March 2023: ₹ 274.46)		

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

Disaggregation of revenue from contract research, development and manufacturing activities into over time and at a point in time :

Timing of recognition

	At a point in time	5,617.17	5,239.20
	Over time	9,070.06	6,730.29
	Total	**14,687.23**	**11,969.49**
28.	**Other income**		
	Interest income from deposits	135.14	94.17
	Interest income on financial assets at amortised cost	0.83	0.77
	Foreign exchange gain (net)	146.26	173.02
	Interest on income tax refund	-	11.70
	Profit on sale of property, plant and equipment	0.10	-
	Others	8.58	-
		290.91	**279.66**
29.	**Cost of material, chemicals & reagents consumed**		
	Raw material and packing material at the beginning of the year	882.61	763.21
	Add: Purchases/adjustments	3,975.83	4,391.15
	Less: Raw material and packing material at the end of the year	(625.47)	(882.61)
		4,232.97	**4,271.75**
30.	**Changes in inventories of work-in-progress**		
	Opening balance		
	- Work-in-progress	438.77	392.89
	(A)	**438.77**	**392.89**
	Closing balance		
	- Work-in-progress	214.44	438.77
	(B)	**214.44**	**438.77**
	(A) - (B)	**224.33**	**(45.88)**
31.	**Employee benefits expense**		
	Salaries, wages and bonus (refer note (a) below)	4,589.81	3,876.82
	Contribution to provident and other funds	87.17	74.99
	Gratuity expense	50.38	50.54
	Equity settled share based payment expense	22.53	8.14
	Staff welfare expenses	199.16	162.37
		4,949.05	**4,172.86**
	(a) Includes contract labour charges of ₹ 321.53 (31 March 2023: ₹ 274.46)		
32.	**Finance costs**		
	Interest on financial liabilities measured at amortised cost (net of borrowing cost of ₹ 18.49 (Mar 23 : ₹ 28.96) capitalised to property, plant and equipment)	600.85	478.53
	Interest on lease liabilities	253.53	241.22
	Interest on MSME payables	3.03	1.57
	Interest - others	1.69	49.25
		859.10	**770.57**
33.	**Depreciation and amortisation expense**		
	Depreciation of property, plant & equipment (refer note 6)	731.35	600.80
	Depreciation on right-of-use assets (refer note 7)	375.34	347.79
	Amortisation of intangible assets (refer note 8)	87.67	45.73
		1,194.36	**994.32**

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

34.	**Other expenses**		
	Consumption of stores and spares	440.29	388.92
	Power and fuel	494.91	437.26
	Rent	20.72	51.32
	Repairs and maintenance:		
	- Buildings	18.85	36.71
	- Plant and equipment	178.56	172.32
	- Others	190.06	231.98
	Insurance	70.92	68.78
	Rates and taxes	24.65	36.77
	Outside contract cost	56.86	39.27
	Carriage and freight outwards	51.12	74.44
	Communication expenses	25.20	17.55
	Office maintenance and housekeeping expenses	41.32	43.79
	Travelling and conveyance	122.45	113.91
	Legal and professional fees (refer note (i) below)	296.84	139.62
	Corporate social responsibility (CSR) expenditure (refer note (ii) below)	9.38	17.45
	Provision towards doubtful trade receivables (refer note 38B)	15.90	11.52
	Bad debts written off (net of recoveries) (refer note 38B)	62.04	67.96
	Provision towards doubtful advances	13.66	-
	Advances written off	10.72	-
	Bank charges	16.48	39.66
	Net loss on disposal of property, plant and equipment	-	5.67
	Sales promotion expenses	30.45	11.14
	Membership and subscription	112.34	87.52
	Printing and stationery	21.95	19.23
	Asset under CWIP written off	61.86	-
	Miscellaneous expenses	3.01	10.56
		2,390.54	**2,123.35**
(i)	**Details of Statutory Auditor's remuneration :**		
	As statutory auditor:		
	- Audit fee	6.60	6.00
	- Certification fees	1.59	4.57
	- Reimbursement of expenses	0.49	0.31
		8.68	**10.88**

(ii) **Details of CSR expenditure :**

As required under Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. During the year, the Company was required to spend ₹ 9.38 (March 2023 - ₹ 17.45). The Company has spent the CSR amount towards

1. Contributing through Technology
2. Conducting free medical program in rural areas and sponsorship for cancer child patient
3. Promoting education in rural areas and career development programme

Amount spent during the year on:		
i) Gross amount required to be spent by the Company during the year	9.38	17.45
ii) Amount spent during the year on the above	9.38	17.45
iii) Shortfall at the end of the year	-	-
iv) Total of previous year shortfall	-	-
v) Reason for shortfall	N/A	N/A
vi) Nature of activity	See note above	See note above

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

35.	**Income tax**		
	Tax expense comprises of:		
	Current tax	77.57	100.28
	Deferred tax	186.68	(36.09)
	Income tax expense reported in the statement of profit or loss	**264.25**	**64.19**

35. Income tax (continued)

During the March 2022, the Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss is as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit before tax	1,092.34	164.08
Tax at the Indian tax rate (25.17%) [31 March 2023: 25.17%]	274.92	41.30
Effect of concessions (80JJAA)	(5.44)	(3.94)
Disallowance of CSR expenditure	2.36	4.39
Others	(7.59)	22.44
Income tax expense	**264.25**	**64.19**

36.	**Earnings per equity share [EPES]**		
	Profit attributable to equity shareholders	828.09	99.89
	Weighted average number of equity shares outstanding during the year (refer note below)	1,81,15,947	1,80,58,176
	Effect of dilution:		
	Employee stock options	1,73,375	1,82,311
	Weighted average number of equity shares adjusted for the effect of dilution	1,82,89,322	1,82,40,487
	Earnings per equity share (in absolute ₹ terms) :		
	Basic	45.71	5.53
	Diluted	45.28	5.48
	Nominal Value per share equity share	10	10

During the year ended 31 March 2024 and 31 March 2023, the Company has not considered the share warrants of 50,000 and 37,500 respectively which are convertible into equity shares being anti-dilutive.

37. Fair value measurements

Risk management framework:

The Company's principal financial liabilities, comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTOCI investments and investment in its subsidiary.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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

(i) Financial assets and financial liabilities measured at fair value

	Level 1		Level 2		Level 3	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial assets - Unlisted equity instruments measured at FVTOCI* and	-	-	16.08	20.78	18.68	18.68
Financial liabilities - Derivative financial instruments - loss on outstanding foreign exchange forwards, options, currency swap	-	-	35.67	32.47	-	-

(1) The Company enters into derivative financial instruments with various counterparties, principally banks. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forwards. These derivative financial instruments are valued based on the inputs that are directly or indirectly observable in the market place.

*These are held for operational purposes and the Company estimates that the fair value of these investments are not materially different as compared to their cost.

Financial instruments by category

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	-	18.68	-	-	18.68	-
Trade receivables	-	-	2,561.84	-	-	2,840.51
Cash and cash equivalents	-	-	236.57	-	-	699.12
Other bank balances	-	-	1,351.43	-	-	164.24
Other financial assets	-	16.08	819.35	-	20.78	1,790.53
Total financial assets	**-**	**34.76**	**4,969.19**	**-**	**39.46**	**5,494.40**

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	7,101.63	-	-	6,992.29
Lease liabilities	-	-	2,174.97	-	-	2,331.46
Trade payables	-	-	1,994.05	-	-	2,089.46
Other financial liabilities	-	35.67	295.19	-	32.47	232.59
Total financial liabilities	**-**	**35.67**	**11,565.84**	**-**	**32.47**	**11,645.80**

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

37. Fair value measurements (continued)

(ii) Measurement of fair values

Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Forward exchange contract	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency	Not applicable	Not applicable
Interest rate swaps and Cross Currency swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable

(iii) Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2023-24 and no transfers in either direction in 2022-23.

38. Financial instruments risk management

A. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, lease liabilities, deposits, trade receivables and other financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions; and non-financial assets and liabilities.

i. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rate had been 10 basis points higher/lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2024 would decrease/increase by ₹ 33.85 (31 March 2023: ₹ 31.94)

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

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of change in foreign exchange rates. The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars and Euros) and foreign currency borrowings (primarily in US Dollars). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows.

Financial assets

	31 March 2024				31 March 2023		
	Investments	Trade receivables	Balances in bank	Other assets	Investments	Trade receivables	Other assets
- USD	-	2,430.69	73.51	93.76	-	2,566.16	10.10
- EUR	-	158.73	20.74	-	-	154.88	1.33
- GBP	-	52.86	38.65	-	-	115.04	0.85
- Others	-	2.60	2.80	-	-	3.51	1.28

Financial liabilities

	31 March 2024			31 March 2023		
	Borrowings#	Trade payables	Capital creditors	Borrowings	Trade payables	Capital creditors
- USD	402.89	300.58	29.39	328.69	645.20	72.99
- EUR	10.08	5.85	13.71	-	-	10.06
- GBP	-	114.84	8.75	6.16	11.26	-
- Others	-	3.55	-	-	2.09	-

This amount includes interest accrued

38. Financial instruments risk management (continued)

(b) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The Company's exposure

Particulars	Impact on income	
	31 March 2024	31 March 2023
USD sensitivity		
₹/USD - Increase by 1%	18.65	15.85
₹/USD - Decrease by 1%	(18.65)	(15.85)
EUR sensitivity		
₹/EUR - Increase by 1%	1.50	1.49
₹/EUR - Decrease by 1%	(1.50)	(1.49)
GBP sensitivity		
₹/GBP - Increase by 1%	(0.32)	1.14
₹/GBP - Decrease by 1%	0.32	(1.14)

(c) Derivative financial instruments

The following table gives details in respect of outstanding derivative contracts. The counterparty for these contracts are banks.

			31 March 2024		March 20
	Sell	Buy	No of contracts	Amount in Millions	No of contracts
Forward contract	US$	₹	237	$ 77.69	113
Forward contract	Euro$	₹	12	$ 4.50	-
Forward contract	₹	US$	2	$ 1.00	6
Interest rate swaps ₹ (floating to fixed)			2	₹ 651.15	2
Interest rate swaps USD (floating to fixed)			1	$ 0.28	2

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

B. Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The Company has established a credit mechanism under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored.

The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 2,561.84 (31 March 2023: ₹ 2,840.51) The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for doubtful receivables	As at 31	As at 31 March
Opening balance	116.22	104.70
Provision towards doubtful trade receivables	77.94	79.48
Amounts written off	(62.04)	(67.96)
Closing balance	**132.35**	**116.22**

38. Financial instruments risk management (continued)

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's principal sources of liquidity are the cash flows generated from operations. Further the Company also has long term borrowings and working capital facilities which the management believes are sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

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

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

31 March 2024	Carrying amount	Contractual cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings	7,101.63	4,329.17	1,906.89	901.44	**7,137.50**
Lease liabilities	2,174.97	616.61	1,512.47	1,002.29	**3,131.37**
Trade and other payables	1,994.05	1,994.05	-	-	**1,994.05**
Other financial liabilities	295.19	290.39	4.80	-	**295.19**
Total	**11,565.84**	**7,230.22**	**3,424.16**	**1,903.73**	**12,558.11**

31 March 2023	Carrying amount	Contractual cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings	6,992.29	4,382.60	1,215.57	1,416.90	**7,015.07**
Lease liabilities	2,331.46	631.13	1,774.11	1,030.64	**3,435.88**
Trade payable	2,089.46	2,089.46	-	-	**2,089.46**
Other financial liabilities	232.59	227.79	4.80	-	**232.59**
Total	**11,645.80**	**7,330.98**	**2,994.48**	**2,447.54**	**12,773.00**

39 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously reviewing its strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

	31 March 2024	Iarch 2023
Total borrowings (note 19)	7,101.63	6,992.29
Less: Cash and cash equivalents (note 16(i))	236.57	699.12
Less: Other bank balances (note 16 (ii)) and Deposits classified under Other financial assets (note 10)	1,751.43	1,514.24
Net debt (A)	**5,113.63**	**4,778.93**
Total equity (B)	9,751.44	8,880.93
Net debt to equity ratio (A)/(B)	**0.52**	**0.54**

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

40. Related party disclosures

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

Names of related parties	Nature of relationship
TPG Asia VII SF Pte Ltd	Entity having significant influence on the Company
Sai Quest Syn Private Limited	Entities in which KMP have control or have significant influence
Dr. K Ranga Raju Krishnam Raju Sivaramakrishnan Chittor Runa Karan	Key management personnel ("KMP")
Dr. Raju A Penmasta Puneet Bhatia Mitesh Daga	Director
Rajagopal S. Tatta Manjusha Ambadas Joshi (w.e.f. 09 June 2023) Ganesh Ramesh Iyer (w.e.f. 21 May 2024)	Independent Director

(b) **Transactions with related parties**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Transactions with independent directors	**5.39**	**6.42**
Commission	4.45	6.06
Sitting fees	0.31	0.36
Reimbursement of expenses	0.63	-
Transactions with KMP	**94.81**	**89.25**
Managerial remuneration*	94.81	89.25

*KMP are covered by the Company's mediclaim insurance policy and are eligible for gratuity and leave encashment along with other employees of the Company. The proportionate premium paid towards this policy and provision made for gratuity and leave encashment pertaining to the KMP has not been included in the aforementioned disclosures as these are not determined on an individual basis.

Share based compensation expense allocable to key management personnel is ₹ 0.45 (31 March 2023 : ₹ 2.37), which is not included in the remuneration disclosed above.

(d) **Transaction with related parties**

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm’s length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2024. In opinion of the management, the same would not have an impact on these financial statements.

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

41. Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment'and believes that the Company has only one reportable segment namely "Contract research and manufacturing". Geography-wise details of the Company's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) and revenue

	For the year ended	
(i) Revenue from External customers	**31 March 2024**	**31 March 2023**
India	301.21	207.57
Outside India	14,386.02	11,761.92
(ii) Non-Current Assets (Other than financial instruments)		
India	12,090.09	11,055.07
Outside India	1,019.45	1,046.04

(iii) Major Customer

During the year, the Group does not have any customer who contributed more than 10% of the Group's total revenue (31 March 2023: ₹ 1,260.28).

42. Contingent liabilities and commitments

		As at	
		31 March 2024	**31 March 2023**
(a)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	491.15	410.82
(b)	**Contingent liabilities**		
	a. Claims arising from disputes not acknowledged as debts in respect of:		
	Excise duty liabilities - refer note (c) (i) below	7.25	7.25
	Service tax liabilities - refer note (c) (ii) below	12.36	12.36
	Provident Fund Damages relating to PF contribution of international workers - refer note	21.89	21.89
	Income tax liabilities - refer note (c) (iv) & (x) below	18.27	16.23
	VAT liabilities - refer note (c) (v) below	67.56	59.25
	GST liabilities - refer note (c) (vi) and (vii) below	77.31	4.22
	b. Issue of Standby Line of Credit to vendor on behalf of Subsidiary	36.20	35.68

(c) (i) The Central Excise department has raised a demand against the Company on the ground that the Company has not complied with the conditions of Notification No 23/2003 – CE dated 31 March 2003. As per the said notification, an Export Oriented Unit (EOU) unit can clear the goods into Domestic Tariff Area (DTA) on payment of excise duty at a concessional rate upto 50% of the Free on Board (FOB) value of the exports on the sale of similar goods to DTA. The central excise officer has held that the goods sold in DTA are different from the goods which are exported. Accordingly raised the above demand along with interest and penalty. Appeal is filed before Central Excise and Service Tax Appellate Tribunal ('CESTAT') and waiting for personal hearing.

(ii) The Service tax department has raised a demand on the ground that that the Place of Provision of Service is in India and as such there is no export of service by the Company applying Rule 4 of Place of Provision of Service Rules, 2012. (POPS Rules) with respect to Drug Metabolism and Pharmacokinetic (DMPK) services rendered by the Company. Appeal filed before CESTAT- Pune, on 27 April 15 and Final Order received. Appeal is filed before Honourable High Court on 9 Dec 19 and Personal Hearing is attended on 27 Feb 20. Appeal has been admitted by Hight court on 5th July 2022.

42. Contingent liabilities and commitments (continued)

(iii) The Company had three Non resident Indians on its rolls covered under the definition of International Workers as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Based on the Government Order, in June 2017, the Company suo moto made a payment of provident fund along with the applicable interest rates.
However, on April 25, 2018, the Company received a notice from the Department stating that from the period 01 April 1996 to 31 March 2018, the Company had delays in deposit of Provident fund amount and accordingly, charged interest and damages under Section 14B and Section 7Q of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to the extent of ₹.13.15 and ₹.21.89 for interest and damages respectively.
The Company has represented the case stating that interest payments were made appropriately. The PF authorities took the such interest payment on record and gave a corrigendum stating the same.
The Company is still contesting the damages payment of ₹ 21.89. The Company addressed a letter dated October 22, 2020 to the Regional Provident Fund Commissioner, requesting it to refrain from taking any such coercive action against the Company and reserved its right to exercise its rights and remedies under law. However, since no presiding officer had been appointed for hearing matters before the Central Government Industrial Tribunal ("CGIT") at that time, the Company filed the present writ petition bearing Writ Petition No. 19867 of 2020 against the RPFC for the setting aside of the Impugned Order as being arbitrary, illegal and violative of Article 14 of the Constitution of India. The matter was listed on November 19, 2020, wherein, the High Court passed an interim order granting a stay on the Impugned Order. However, as on date, there is no further order with regard to the said damages. Apart from the proceedings before the High Court of Telangana, an appeal was also filed by the Company challenging the Impugned Order
(iv) Company has received a demand from income tax authorities relating to financial year 2015-16, 2016-17 & 2017-18 regarding certain disallowances in the income tax return of that year. The Company has filed an appeal and is pending hearing. In the current year, the Company has received favorable order for the financial year 2015-16 and 2017-18.

(v) The Company has litigations under Maharashtra Value Added Tax ('MVAT') Act, 2002 and Central Sales Tax ('CST') Act, 1956 for the years 2009-10 to 2016-17, and for the quarter 1 April 2017 to 30 June 2017. For the years 2009-10 to 2013-14, the Company is in appeal before the Maharashtra Sales Tax Tribunal and for the years 2014-15 to 30 June 2017, the Company is in appeal before the Joint Commissioner (Appeals). The issue pertains to eligibility of refund of Input Tax Credit ('ITC) under MVAT Act.
The tax authorities have raised objection that transfer of deliverables (technical know-how) to the Customer of the Company is a service and not sale of goods. Therefore, the tax authorities at the first level have disallowed ITC and rejected the claim of refund of unutilised ITC of the Company. However, in this regard, the Company believes that transfer of deliverables to the Customer is sale of goods and the Company is eligible for ITC and the refund of unutilized ITC.

(vi) The Company has received order from the officer where he has disallowed the transitional ITC and levied interest and penalty total amounting to ₹.4.22. Appeal is filed before Deputy Commissioner of State Tax, Office of the Deputy Commissioner of State Tax, Pune in the year ending March 2023. The Company is waiting for personal hearing.

(vii) During the current year, the Company has received order from the GST Enforcement Authorities, Gulbarga having jurisdiction over Bidar unit of the Company demanding tax along with interest and penalties on 'Marketing support' services received from M/s. Sai Life Sciences Inc., USA for the financial years 2017-18 and 2018-19. Total amount involved along with interest and penalty is ₹.73.09. The Company has filed an appeal before Commissioner (GST Appeals), Gulbarga for the financial year 2017-18 and waiting for personal hearing. With regards to financial year 2018-19, the Company is in process of filing appeal before Commissioner (GST

(viii) The Company is subject to various legal proceedings and claims, which have arisen in the ordinary course of business including litigation pending before various tax authorities, including those mentioned in above points. The uncertainties and possible refunds are dependent on the outcome of different legal processes, which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be accurately predicted . The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

(ix) Subsequent to the closure of book of accounts for the year ending March 2024, the Company has received Order dated 30 April 2024 for tax demand of ₹ 4.5 regarding the audit of Telangana GST registration for the financial year 2018-19. The Company is in process of evaluating the grounds for filing an appeal before the appellate authorities.

(x) The Company has received a demand notice dated 23 March 2024 relating to Assessment Year 2022-23 from the Commissioner of Income Tax (Appeals) for ₹ 18.27. The Company has filed an appeal and is pending for hearing.

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

43. Other statutory disclosures

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
ii) The Company does not have any transactions with companies struck off.
iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
vi) 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 the Intermediary shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) 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 Group shall:
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) The Company has not any such transaction which is not recorded in the books of account 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.

44. Micro, Small and Medium Enterprises

Disclosure in respect of the amounts payable to micro and small enterprises as at 31 March 2024 & 31 March 2023 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

	31 March 2024	31 March 2023
The principal amount remaining unpaid to any supplier as at the end of each accounting year*	141.29	124.29
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	3.03	1.57
The amount of interest accrued and remaining unpaid at the end of the year**	9.94	6.91
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	-	-

* Includes amounts payable to trade creditors ₹ 80.13 (31 March 2023: ₹ 73.99) and capital creditors ₹ 61.16 (31 March 2023: ₹ 50.30)

** Includes amounts payable to trade creditors ₹ 9.94 (31 March 2023: ₹ 6.91)

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on the information provided by the management.

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

45 Leases

Company as a lessee : The Company has lease contracts for land, buildings, plant and equipment, vehicles and computers, 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 31 March 2024	As at 31 March 2023
Opening balance	2,331.46	2,141.27
Additions	312.83	539.86
Deletions	(28.27)	(4.44)
Accretion of interest	253.53	241.22
Payments	(694.58)	(586.45)
Closing balance	**2,174.97**	**2,331.46**
Current	417.76	373.49
Non-current	1,757.21	1,957.97

Amount recognised in Statement of Profit and

Particulars	For the year ended	
	31 March 2024	31 March 2023
Depreciation: Right-of-use assets	375.34	347.79
Finance cost: Interest on lease liabilities	253.53	241.22
Short term and variable lease payments (Refer note below)	20.72	51.32

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 March 2024	31 March 2023
Cash outflows for leases		
Interest portion of lease liabilities	253.53	241.22
Principal portion of lease liabilities	441.05	345.23

Sai Make it better together

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

46 **Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the**

Name of the entity	As at 31 March 2024							
	Net assets (i.e., total assets- total liabilities)		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Other Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total OCI	Amount
Parent								
Sai Life Sciences Limited	103.70%	10,111.98	115.00%	952.31	1.47%	0.15	113.62%	952.46
Subsidiaries								
Sai Life Sciences Inc	3.25%	316.81	-18.19%	(150.61)	0.00%	-	-17.97%	(150.61)
Sai Life Pharma Private Limited	1.16%	113.41	0.04%	0.35	-0.98%	(0.10)	0.03%	0.25
Sai Life Sciences GMBH	-0.15%	(14.26)	0.41%	3.38	0.00%	-	0.40%	3.38
Total	**107.96%**	**10,527.94**	**97.26%**	**805.43**	**0.49%**	**0.05**	**96.08%**	**805.48**
Consolidation adjustments	-7.96%	(776.50)	2.74%	22.66	99.51%	10.17	3.92%	32.83
Net amount	**100.00%**	**9,751.44**	**100.00%**	**828.09**	**100.00%**	**10.22**	**100.00%**	**838.31**

Name of the entity	As at 31 March 2023							
	Net assets (i.e., total assets- total liabilities)		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Other Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total OCI	Amount
Parent								
Sai Life Sciences Limited	102.77%	9,127.32	242.64%	242.37	41.14%	14.54	189.98%	256.91
Subsidiaries								
Sai Life Sciences Inc	5.21%	462.29	-126.12%	(125.98)	0.00%	-	-93.16%	(125.98)
Sai Life Pharma Private Limited	1.27%	113.16	-0.19%	(0.19)	0.00%	-	-0.14%	(0.19)
Sai Life Sciences GMBH	-0.20%	(17.56)	-17.26%	(17.24)	0.00%	-	-12.75%	(17.24)
Total	**109.06%**	**9,685.21**	**99.07%**	**98.96**	**41.14%**	**14.54**	**83.93%**	**113.50**
Consolidation adjustments	-9.06%	(804.28)	0.93%	0.93	58.86%	20.80	16.07%	21.73
Net amount	**100.00%**	**8,880.93**	**100.00%**	**99.89**	**100.00%**	**35.34**	**100.00%**	**135.23**

The above disclosure represents separate information for the consolidated entity before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Act.

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

47 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

48 With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts.

The Parent Company and its subsidiary, uses accounting software for maintaining the books of account which has a feature of recording audit trail and has defined process to enable audit trail of books of accounts and has enabled the feature of recording audit trail (edit log) facility except for the following

- in respect of accounting software used by the Parent Company, audit trail feature was not enabled for the period 01 April 2023 to 30 March 2024, post which audit trail was enabled at the application level.
- in respect of a accounting software operated by a third party software service provider used by the Parent Company for maintaining payroll records, independent auditor's system and organisation controls report does not cover audit trail related reporting for the period from 01 January 2024 to 31 March 2024.
- in respect of a accounting software operated by a third party software service provider used by the Subsidiary Company for maintaining its books of account, independent auditor's system and organisation controls report does not cover audit trail related requirements.

The management is of the view that this does not have any impact on its Consolidated financial statements for the year ended 31 March 2024.

49 The previous year's figures have been re-groupped/reclassified where necessary to confirm current year's classification.

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

K.Ranga Raju Chairman DIN No: 00043186	**Krishnam Raju** Managing Director DIN No: 00064614
Sivaramakrishnan Chittor Chief Financial Officer	**Runa Karan** Company Secretary Membership No.: A13721

Place: Hyderabad
Date: 21-May-2024

SAI LIFE SCIENCES LIMITED
CIN: U24110TG1999PLC030970
Regd. Office: Plot No. DS-7, IKP Knowledge Park, Turkapally (V), Shameerpet Mandal,
Medchal-Malkajgiri Dist, Hyderabad - 500078, Hyderabad, Telangana, India.

ATTENDANCE SLIP
25^{TH} ANNUAL GENERAL MEETING
FRIDAY, THE 14^{TH} DAY OF JUNE, 2024 AT 10.30 A.M (IST)

DP Id.		Name & Address of the registered Shareholder
Client Id/Regd. Folio No.		
No.of Shares held		

I certify that I am a member / proxy for the member of the Company.
I hereby record my presence at the 25^{th} Annual General Meeting of Sai Life Sciences Limited being held on Friday, the 14^{th} day of June, 2024 at 10.30 A.M (IST) at # L4-01 & 02, SLN Terminus, Survey #133, Gachibowli Miyapur Road, Gachibowli, Hyderabad – 500032, Telangana, India.

Member's/Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

Form No. MGT – 11
PROXY FORM
[Pursuant to section 105(6) of the Company Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :			
Name of the Company :			
Registered Office :			
Name of the member (s) :			
Registered address :			
E-Mail Id :			
Folio No/ Client Id :		DP ID	

I/We, being the member (s) of………………………………… Shares of the above named company, hereby appoint

1	NAME	

	Address			
	E -Mail Id		Signature	
	or failing him			
2	NAME			
	Address			
	E -Mail Id		Signature	
	or failing him			
3	NAME			
	Address			
	E -Mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, the 14th day of June, 2024 at 10.30 A.M (IST) at # L4-01 & 02, SLN Terminus, Survey #133, Gachibowli Miyapur Road, Gachibowli, Hyderabad – 500032, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.	2.	3.	4.
5.	6.	7.	

Signed this ……………………… Day of …………………..2024

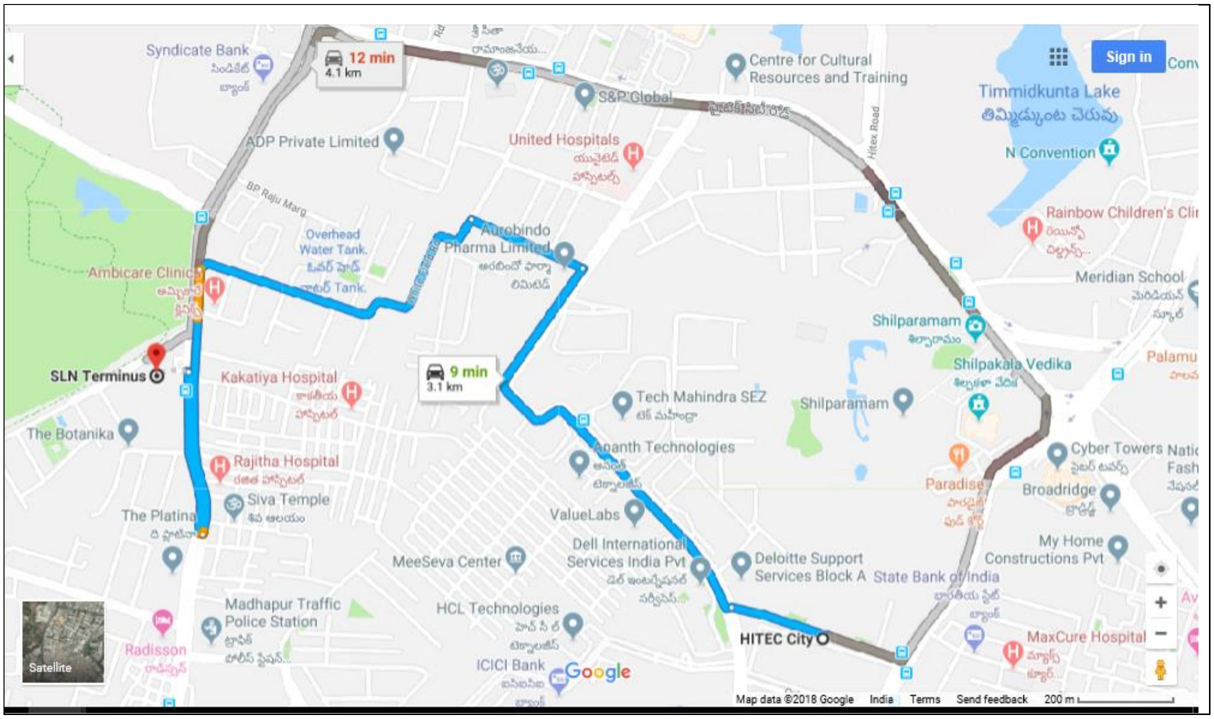
Affix Revenue Stamp

Signature of shareholder : ____

Signature of Proxy holder (s) : ____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map


12 min
4.1 km
9 min
3.1 km
Syndicate Bank
ADP Private Limited
United Hospitals
S&P Global
Centre for Cultural Resources and Training
Timmidkunta Lake
N Convention
Rainbow Children's Clin
Meridian School
Sign in
BP Raju Marg
Overhead Water Tank
Aurobindo Pharma Limited
Ambicare Clinic
SLN Terminus
Kakatiya Hospital
The Botanika
Rajitha Hospital
Siva Temple
The Platina
Shilparamam
Shilpakala Vedika
Palamu
Tech Mahindra SEZ
Ananth Technologies
Paradise
Cyber Towers
Broadridge
ValueLabs
Dell International Services India Pvt
MeeSeva Center
Deloitte Support Services Block A
State Bank of India
My Home Constructions Pvt
Madhapur Traffic Police Station
HCL Technologies
HITEC City
MaxCure Hospital
Radisson
ICICI Bank
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